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Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 July 2004-30 June 2005

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Supplement No. 13 (A/60/13)

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Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

CDC	Centers for Disease Control and Prevention
FAO	Food and Agriculture Organization of the United Nations
IDF	Israel Defense Forces
ILO	International Labour Organization
MMR	measles, mumps and rubella
NGO	non-governmental organizations
OPEC	Organization of Petroleum Exporting Countries
PLO	Palestine Liberation Organization
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNTSO	United Nations Truce Supervision Organization
WFP	World Food Programme
WHO	World Health Organization

Letter of transmittal

26 September 2005

I have the honour to submit to the General Assembly my annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the period from 1 July 2004 to 30 June 2005, in compliance with the request contained in paragraph 21 of resolution 302 (IV) of 8 December 1949 and with paragraph 8 of resolution 1315 (XIII) of 12 December 1958.

Chapter I is an overview of events and developments in the region, with reference to the Agency's five fields of operation in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip, as well as a description of the funding situation that UNRWA faced during the reporting period.

Chapter II covers developments in the education, health, relief and social services, and microfinance and microenterprise programmes of the Agency, and in its stakeholder relations, fund-raising activities, emergency appeals and project activities.

Chapter III covers financial matters, including income and expenditure for the regular budget and the projects and emergency budgets, non-regular budget activities, and the Agency's current financial situation.

Chapter IV deals with legal matters, in particular those relating to Agency staff, services and premises, as well as constraints affecting Agency operations.

Annex I provides statistical and financial information regarding the Palestine refugees and Agency programmes, finances and staff. Annex II refers to pertinent records of the General Assembly and other United Nations bodies.

Following established practice, the annual report in draft form was distributed in advance to the 10 members of the Advisory Commission, whose comments and observations were given careful consideration. The draft report was discussed with the Commission at a meeting held in Amman on 26 September 2005. The views of the Commission are contained in a letter addressed to me from the Chairperson of the Advisory Commission. A copy of the letter follows.

President of the General Assembly
United Nations
New York

I have maintained the practice of showing my report in draft form to representatives of the Government of Israel. Pursuant to General Assembly decision 48/417 of 10 December 1993 that the Advisory Commission establish a working relationship with the Palestine Liberation Organization (PLO), a representative of the PLO attended the meeting of the Commission on 26 September 2005 and a copy of the draft report was shared with him.

(*Signed*) Karen **Koning AbuZayd**
Commissioner-General
United Nations Relief and Works Agency
for Palestine Refugees in the Near East

Letter dated 26 September 2005 from the Chairperson of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency

1. At its regular session, on 26 September 2005, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) considered your draft annual report on the Agency's activities and operations during the period 1 July 2004 to 30 June 2005, which is to be submitted to the General Assembly at its sixtieth session.

2. The Commission expressed its great appreciation to Peter Hansen, who retired from UNRWA on 31 March 2005 after an unprecedented nine years as its Commissioner-General. His courage and dedication to the cause of the Palestine refugees in extremely challenging times were an inspiration to us all. The Commission also welcomed your appointment as Commissioner-General as of 28 June 2005 and pledged its full support to you in discharging your duties in the coming three years.

3. The period from December 2004 to June 2005 was characterized by an improvement in the security situation in the occupied Palestinian territory. The Commission welcomed the holding of free and fair presidential and municipal elections and the Israeli disengagement from the Gaza Strip and parts of the West Bank. The Commission hopes that continued progress by the parties in implementing the Road Map will lead to and promote stability and advancements in the peace process and improved conditions for Palestine refugees in the West Bank and Gaza. The Commission encourages UNRWA to continue to cooperate closely with the Quartet team led by James Wolfensohn and with the Palestinian Authority on issues relating to Gaza disengagement and to provide regular briefings on its response to the Commission.

4. During the reporting period there was a slight improvement in the security situation in the occupied Palestinian territory, against a background of continued violence and military incursions and operations in and around refugee camps, and a lack of political progress. As a result, the Commission noted with concern the continuing humanitarian crisis in the occupied Palestinian territory. This was evidenced by: the displacement of large numbers of Palestinians following the demolition of their homes; deteriorating health conditions; high levels of poverty; the disruption of educational programmes; and the increasing exhaustion of the capacity of the Palestinian population to sustain itself in the face of the continuous decline in economic and social conditions since September 2000 described in your report. Those conditions have had a particularly severe effect on Palestine refugees, who are often among the poorest and most vulnerable part of the population, and have required additional engagement by the Agency.

5. The Commission also noted with concern that the continued construction of the separation wall/fence, internal and external closures, curfews and other restrictions imposed by the Israeli authorities in both the West Bank and the Gaza Strip have led to severe and sustained mobility restrictions on the Palestinian population and had repercussions on their daily life and future. The restrictions have obstructed access to employment and income and to essential goods and services. The restrictions have also had a serious impact on the ability of the Agency to move

staff and humanitarian assistance to those in urgent need. The Commission noted the negative impact of those practices on UNRWA operations and reiterated the need to take urgent measures to remove restrictions placed on the movement of Agency staff and goods, in keeping with international law and the agreements between UNRWA and the Government of Israel.

6. The Commission also expressed concern at the difficult and unstable situation in the Gaza Strip, which repeatedly led the United Nations to declare Security Phase IV, from 20 July to 25 December 2004 and from 15 August 2005 onwards, first because of Israeli military operations in the Gaza Strip and subsequently as a result of the increased violence in Gaza. This forced the Agency to relocate most of its headquarters international staff, thereby severely disrupting the operations at headquarters. The Commission commended the Agency's staff who remained in the Gaza Strip to ensure that all regular programme and emergency operations there continued, despite the highly unstable security situation. The Commission reaffirmed the pressing need to respect the integrity of the United Nations and the immunities of its staff, particularly in the case of the humanitarian staff courageously operating in areas of conflict, as stated in Security Council resolution 1502 (2003).

7. The Commission noted that up to the end of 2004, donors had contributed $432.7 million in response to appeals amounting to $739 million. It also noted that the Agency had launched appeals totalling $185.8 million for the year 2005. The Commission noted with concern that the level of response of the international community to its emergency appeals has stagnated, in that as of mid-September 2005 only $93.1 million had been pledged and $56.8 million actually received. In the light of the continuing humanitarian crisis in the occupied Palestinian territory, the Commission appealed to the international community to do its utmost to enhance contributions to the Agency's emergency programmes and calls upon UNRWA to explore further options to widen the donor base to fulfil the Agency's and the refugees' needs. It also called upon UNRWA to continue to examine closely its emergency programmes and priorities and its analyses of those emergency needs.

8. The Commission underscored the crucial importance of a strategic planning approach, initiated by the medium-term plan, to guide the development of the regular budget, which is indispensable if the Agency is to respond adequately to the refugees' needs in the five fields of operations. The Commission also called upon donors to maintain adequate levels of funding in line with the growing needs of refugees and also called on UNRWA to continue its efforts to reach out to non-traditional donors.

9. The Commission expressed great appreciation to the host Governments and donors for the continuing support and services they provide to Palestine refugees, recognizing the important contribution made by the Palestine Liberation Organization and the services it provides to the Palestine refugees.

10. The Commission commended the Palestinian Authority for its efforts to make payments on its outstanding value-added tax (VAT) debt due to UNRWA and noted with appreciation the Agency's efforts in following up on this matter. It urged the Agency to continue to pursue with the Palestinian Authority the objective of VAT exemption for UNRWA and the reimbursement of the remaining outstanding VAT. It also requested the Agency to continue to ask the Israeli authorities to reimburse all outstanding port charges, in accordance with the 1967 Comay-Michelmore

Agreement between Israel and UNRWA. The Commission noted once again that a sum of $5.1 million was still outstanding from United Nations Headquarters with respect to the expenses incurred by the Agency in moving its headquarters from Vienna to Gaza in 1996, in accordance with the former's instructions.

11. The Commission emphasized the importance of the follow-up process to the Geneva Conference held on 7 and 8 June 2004. A wealth of ideas and specific recommendations has been the subject of further discussion in an open and transparent forum, and some items are already being implemented. The Commission supports the Agency's continuing efforts to develop a management reform programme in light of, inter alia, the outcomes of the above-mentioned Geneva Conference.

12. The Commission also welcomed the recent launching of a comprehensive exercise of data collection that will provide the basis for much improved needs analysis and management of its operations. The Commission welcomes the efforts deployed to revitalize its role within its current mandate "to advise and assist" and to expand its composition to make it more representative of the Agency's main stakeholders. Finally, the Commission also welcomes the expansion of the informal consultation mechanisms of UNRWA, leading to the development of the hosts and donors meeting.

13. The Commission recognized the vital role the Agency plays in providing the refugees with essential services and in contributing to regional stability until a just settlement to the refugee issue is implemented in accordance with the relevant United Nations resolutions, especially General Assembly resolution 194 (III) of 11 December 1948.

The Commission expressed its warm appreciation for your personal commitment to the service of the refugees and the effective leadership you are providing to the Agency.

(*Signed*) Rana **Mokaddem**
Acting Chairperson of the Advisory Commission

Chapter I
Overview

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established pursuant to General Assembly resolution 302 (IV) of 8 December 1949. The Agency became operational on 1 May 1950 and began responding to the immediate humanitarian needs of about 880,000 Palestine refugees in the region. Over the past five decades, the Agency has grown into one of the largest United Nations programmes, employing over 25,000 staff members, including teachers, health workers, social workers, microcredit staff and other service providers. The Agency operates some 900 facilities providing education, health, relief and social services, and runs a microfinance and microenterprise programme, for a growing population of refugees who now number over 4 million. UNRWA provides its services in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. About one third of the refugees live in camps, where services are rendered directly in UNRWA installations. The camps, however, are administered by governmental or other authorities. While the Agency's services are funded from its budget, where appropriate and possible refugees contribute to service costs through co-payments, self-help schemes, participation fees and voluntary financial contributions.

2. The Agency's services to the refugees constitute an essential investment in their human resources. They cover the following broad categories: elementary and preparatory education; vocational and technical training; comprehensive primary health care, including disease control and family health; assistance towards hospitalization; environmental health services in refugee camps; relief assistance to vulnerable households; and social services for women, youth and persons with disabilities. The Agency has developed a fast-growing microfinance and microenterprise programme, which assists in developing the entrepreneurial skills, income-generating capacity and self-reliance of the refugees. In addition to its regular programme, the Agency undertakes a range of infrastructure projects to improve the living conditions of the refugees. As a result of the ongoing crisis in the occupied Palestinian territory, UNRWA has also implemented a comprehensive programme of emergency activities for the Palestine refugees, which has included the provision of food aid, cash assistance, emergency employment generation, shelter repair and reconstruction, compensatory education, and the provision of emergency health services, including trauma counselling and psychological support.

3. Peter Hansen, the longest serving Commissioner-General of UNRWA, retired in March 2005 after nine years in office. The Secretary-General appointed Karen Koning AbuZayd as the new Commissioner-General for a three-year term beginning on 28 June 2005. She takes the helm at a most challenging time, but comes to the post with the benefit of five years' experience as Deputy Commissioner-General.

4. UNRWA operations are almost wholly funded through voluntary contributions from Member States and other entities. The constraints posed by the unpredictability of funding over the medium term are lessened to a certain extent by the readiness of some of the Agency's major donors to provide unearmarked funds to the UNRWA regular budget. The Agency's 10 largest donors for 2004, who together provide almost 90 per cent of its current cash income, are, in descending order: the European Commission, the United States of America, the United Kingdom of Great Britain and Northern Ireland, Sweden, Norway, the Netherlands, Canada, Switzerland, Japan and Italy.

5. The operational environment in which UNRWA functioned during the reporting period was once again dominated by the situation in the occupied Palestinian territory and Israel. Severe strife from July to December 2004 was followed by a period of relative calm. The first period involved numerous military incursions by the Israel Defense Forces (IDF) in the Gaza Strip, in particular in Rafah, and later in Beit Hanoun, Beit Lahia and Jabalia. Operation "Days of Penitence", as the latter incursion was called by the Israeli authorities, followed a rocket attack that killed an Israeli child, and lasted 17 days, causing large-scale destruction and loss of life. A total of 107 Palestinians were killed and 431 injured during the military operation. Ninety-one homes housing 143 families were destroyed and 101 shelters, housing 120 families, were damaged during the military operation in the northern Gaza Strip, while 482 persons were made homeless in Rafah during that same short period. Disruption of the Agency's operations in the West Bank was also caused by a six-week strike of local staff demanding increases in pay (in each of its five fields of operation, the Agency uses public sector salaries as its comparator; the demands of the West Bank area staff union went beyond the Agency's pay policy and the UNRWA funding capacity). The strike severely affected the delivery of education, health and social services to refugees for the period.

6. During the period from July to December 2004, extensive Israeli military operations in the northern Gaza Strip significantly increased the level of danger to which UNRWA international staff were exposed. This exposure occurred both during travel through the zone of conflict, and during the long waiting periods to which staff were subjected by the Israeli authorities at the Erez checkpoint when attempting to enter or exit the Gaza Strip through Erez. This deterioration in the security situation and the inability of the Israeli authorities to ensure safe and rapid movement through the Erez crossing and their unwillingness to provide an alternative crossing point led the United Nations to declare Security Phase IV for the Gaza Strip on 21 July 2004. This decision forced UNRWA to relocate almost all of its international staff to Jerusalem and Amman, significantly impairing the functioning of its headquarters. The Gaza field office continued to operate and deliver essential services to Palestine refugees despite the inherently dangerous situation with which the staff were constantly confronted.

7. UNRWA fully recognizes the right and duty of the Government of Israel to protect its citizens. This does not in any way affect the obligations of Israel under international humanitarian law, which prohibits, inter alia, disproportionate military responses, the killing of civilians and collective punishment. It is also incumbent upon the Government of Israel to respect fully the privileges and immunities of UNRWA as an organ of the United Nations and, under its bilateral agreement with UNRWA, to facilitate the Agency's operations at all times.

8. The second part of the reporting period was characterized by relative calm. This made possible a return to Security Phase III in the Gaza Strip and the end to forced relocation of international staff in December 2004. While the situation regarding access did not improve dramatically, greater cooperation afforded by IDF during this part of the reporting period resulted in some improvement.

9. The severe economic depression that the Palestinian economy had been experiencing since September 2000 continued unabated during the reporting period. According to the World Bank, while unemployment declined slightly in the West Bank at the end of 2004, the overall unemployment rate rose to 26.8 per cent, with unemployment in the Gaza Strip rising to an acute 36 per cent, owing in part to the sharp reduction in access to the Israeli labour market. These figures exclude unpaid family

labour and a marked increase in "self-employment", both of which tend to mask the figure of those who gave up seeking employment. Even for the employed, real wages have declined almost 15 per cent in the West Bank and 3.7 per cent in the Gaza Strip since the end of 2000. Palestinian per capita income has remained some 35 per cent lower than its pre-intifada level and, as a result, over half the Palestinian population continue to live below the poverty line.

10. During the reporting period, 31 UNRWA staff members were arrested and/or detained by the Israeli authorities, and the Agency continued to be systematically refused access to members of its staff in detention. In most cases, the Ministry of Foreign Affairs did not respond to the Agency's requests for official information and documents concerning its detained staff members, although some information was provided with respect to pending indictments and convictions of some of the staff members.

11. The Agency is indebted to its staff and acknowledges their dedication and loyalty in such difficult and often dangerous circumstances. It notes with regret that 12,000 local staff of UNRWA in the occupied Palestinian territory are the only United Nations staff members working in the area who did not receive hazard pay, even when Security Phase IV was in effect, whereas they were arguably the most exposed to immediate danger. Efforts at solving this anomaly with United Nations Headquarters continued, but had not yielded any result by the end of the reporting period.

12. The environment in which the Agency had to carry out its operations in the occupied Palestinian territory continued to hamper its ability to deliver services. UNRWA schools and other installations sustained considerable damage. Closures and checkpoint delays prevented schools from operating normally, as large numbers of teachers periodically could not reach their schools or return to their homes. Office workers, doctors and nurses could not reach their places of work, including health centres and clinics, trucks carrying humanitarian supplies could not reach their destinations in time, ambulances were delayed or prevented from moving patients needing urgent treatment, and UNRWA school buildings were in some instances taken over by Israeli forces and used as bases and detention centres. Warning shots were fired at Agency vehicles, and staff members were mistreated by Israeli soldiers. In all such incidents, the Agency protested to or informed the Israeli Ministry of Foreign Affairs and IDF, and reminded them of their obligations under the 1946 Convention on the Privileges and Immunities of the United Nations and the 1967 bilateral Comay-Michelmore Agreement between the Agency and the Government of Israel as well as international norms on the issue of humanitarian access (see chapter IV). There were also a few instances where Palestinian militants entered UNRWA premises. The Agency took immediate steps to ensure their removal from the installations and protested to the Palestinian Authority.

13. Military operations carried out by Israeli forces, which included the imposition of curfews and closures and the creation of closed military zones, had an adverse impact on the Agency's ability to carry out its humanitarian functions in support of the Palestine refugees. Movement of humanitarian goods, particularly in places where supplies of food, medicines and other items were urgently needed, was often blocked, delayed or made very difficult.

14. As described in previous reports of the Commissioner-General to the General Assembly, UNRWA has put into place an extensive emergency assistance programme for refugees affected by the conflict in the occupied Palestinian territory. The Agency's

largest activity has been the provision of food aid to over 1.3 million refugees. Its emergency employment programme generated 2,037,886 work days during the reporting period.

15. The Agency provided temporary accommodation and emergency assistance to the refugees when their shelters were destroyed. It continued to implement several rehousing projects to afford the refugees new dwellings to enable them to live in dignity. In the West Bank, the reconstruction of the Jenin refugee camp was completed. Meanwhile, shelter destruction in the Gaza Strip continued until the end of 2004, necessitating the expansion of major reconstruction and rehousing programmes. The Agency managed to provide 402 new housing units and repaired 339 refugee shelters, but it was not able to keep up with the pace of shelter destruction that has left almost 16,000 refugees still homeless.

16. To facilitate the Agency's activities under its emergency programme, the Operational Support Officer programme in the West Bank and Gaza Strip was again renewed. The programme played a crucial role in facilitating the delivery of humanitarian goods, safe passage of Agency staff through checkpoints, monitoring the use of Agency installations and more generally enhancing the implementation of Agency programmes in accordance with United Nations norms.

17. The first appeals for assistance from the international community to fund the Agency's emergency programmes in the occupied Palestinian territory were launched in October and November 2000. During the reporting period, appeals were issued for 2004 ($193.6 million) and 2005 ($185.8 million).

18. The international community's response to those appeals has gradually decreased as the crisis entered its fifth year and other world crises diverted the attention of donors. In 2004, contributions covered 53 per cent of the needs documented in the Agency's appeals. Contributions for 2005 are expected to rise slightly, but the overall level of contributions continues to fall far short of the Agency's emergency needs. It must be stressed that continued support for the UNRWA emergency appeal is crucial to the survival of the Palestine refugees in the occupied Palestinian territory.

19. UNRWA hoped that the implementation of the disengagement plan scheduled to begin on 15 August 2005, as initiated by the Government of Israel and supported by the Quartet, could bring a relaxation of the closure regime, and unfettered access for Palestinian goods to the outside world. The Israeli disengagement from Gaza could in time lead to economic recovery, thereby enabling the Agency to wind down its emergency operations and concentrate fully on the implementation of its main programmes and its medium-term plan. The Agency does not exclude the possibility, however, that after disengagement restrictions on the freedom of movement of persons and goods may be maintained, further exacerbating the dire economic situation and feelings of hopelessness in the population at large. In such a situation the Agency would have to step up its efforts to alleviate the suffering of the refugees and would require significant increases in extrabudgetary contributions to do so. At the end of the reporting period, UNRWA had prepared contingency plans to address developments which might occur during disengagement. UNRWA also cooperated closely with the newly appointed Special Envoy of the Quartet for Disengagement. UNRWA planning was facilitated by extensive coordination with IDF, which made substantial efforts to ensure that humanitarian assistance to the Palestinian population would not be unduly disrupted by the disengagement process.

20. During the current reporting period, the Government of Israel also proceeded with the construction of a separation barrier inside the West Bank. The barrier had already led to further impoverishment and isolation of refugee families living in its vicinity, particularly those living between the barrier and the 1949 armistice line, and created new obstacles to the delivery of essential UNRWA services to them. UNRWA remained concerned that both the existing barrier and its further extension would constitute a new and formidable obstacle to the delivery of UNRWA services to the affected population. During the reporting period, the barrier seriously affected the functioning of the Agency's hospital in Qalqilia, since patients could no longer reach the hospital easily.

21. During the reporting period, UNRWA continued to implement its regular programmes, providing education, health, social services and microcredit assistance to Palestine refugees in its five fields of operation. It finalized and presented its medium-term plan developed in conjunction with the Palestinian Authority's Medium-Term Development Plan. The medium-term plan focuses on areas that will be crucial to promoting stability, such as training, expanding credit opportunities and job creation, and maps out the Agency's priorities over the next five years. The Agency also followed up on recommendations from the Geneva conference of June 2004, with the cooperative tripartite approach UNRWA and its stakeholders have been pursuing and strengthening in the past years. These elements are detailed further in section E below.

22. The UNRWA education programme remained its largest activity. It operated 647 schools providing basic and preparatory education to approximately 490,000 pupils (of whom over 50 per cent are girls), as well as five secondary schools in Lebanon, eight vocational training centres and three teacher training colleges. It continues to benefit from close cooperation with UNESCO, which funds crucial senior posts within the Agency and provides ongoing technical assistance and general guidance. The Agency's schools follow the national curricula of the host countries in each of its five fields of operation. As a result, the Agency implements all improvements and enhancements to the curriculum introduced by the host country authorities. Because of its precarious financial situation, UNRWA cannot always keep pace with developments, such as the introduction of a tenth year in basic education in the occupied Palestinian territory, English language in elementary schools in Jordan and computer science in Jordanian and Syrian preparatory schools. Financial constraints have also hampered the modernization of the curriculum and infrastructure of the Agency's vocational training centres, threatening the effectiveness of those centres of excellence. Despite the financial challenges during the reporting period, the UNRWA Education Department continued to implement reform and improvement of internal processes, as well as specific projects, such as the Computer and Information Technology Initiative. In the West Bank and Gaza Strip, operations were severely hampered by the ongoing crisis. Twenty-three UNRWA pupils were killed and 39 were injured during the reporting period. There were 28,701 lost teacher days and during the period examination scores in the Agency's schools declined as a result of the conflict.

23. Technical supervision of the UNRWA health programme is provided by WHO, which also supplies the services of senior management staff and short-term consultants, technical literature and publications. The Agency's current focus was on sustaining adequate levels of investment in primary health care (with special emphasis on maternal and child health and disease prevention and control), enhancing the process of institutional capacity-building, and developing its human resources. Management reforms implemented during the reporting period led to the introduction of new systems for health information, hospital management and drug supply management.

24. The situation in the occupied Palestinian territory continued to affect adversely the health of refugees. An FAO/WFP/UNRWA study found that 1.4 million Palestinians in the West Bank and Gaza Strip (i.e. 40 per cent of the total population) were "food insecure". In certain localities, immunization coverage fell below previously sustained levels of 95 per cent. An outbreak of mumps originating in Nablus spread to all West Bank districts in 2004, necessitating a mass measles, mumps and rubella (MMR) immunization campaign.

25. In Lebanon, the Agency maintained its environmental health services in refugee camps throughout its areas of operation, introducing and/or improving sewage disposal, storm water drainage, provision of safe drinking water and refuse collection. Major water and sewerage system projects were under way in the Syrian Arab Republic and Lebanon in various refugee camps during the reporting period.

26. The UNRWA relief and social services programme addresses the needs of the most vulnerable among the refugee population. The Agency's special hardship programme was in increasing demand, owing to the difficult socio-economic situation in Jordan, continuing restrictions on employment of Palestine refugees in Lebanon and the crisis in the occupied Palestinian territory. The current trends in the programme clearly point to a "feminization" of poverty among the refugees, as the incidence of female-headed vulnerable households increases. A poverty specialist consultant was hired during the reporting period with a view to assisting the Agency in moving from a status-based to a needs-based approach to poverty alleviation.

27. Significant progress was made during the reporting period in the implementation of the Palestine Refugee Records Project. When completed, this project will ensure a major improvement in the quality of refugee registration data, as well as the safe preservation through electronic means of the Agency's archive of 16 million family file documents, over 1 million of which were successfully digitized during the reporting period.

28. The Agency continued to promote income-generation activities on two levels. One was in the context of its relief and social services programme, and the other was as a commercial, self-sustaining and market-oriented microfinance and microenterprise programme. The latter programme expanded its operations to Jordan and the Syrian Arab Republic. In the reporting period, it provided 19,766 loans worth $17.72 million in the region. Women entrepreneurs received 25 per cent of the loans. This award-winning programme of the Agency has been under great strain owing to the severe decline in economic conditions in the occupied Palestinian territory since October 2000. Despite the economic decline, however, the programme was financially self-sufficient during the reporting period, during which the value of its disbursements doubled.

29. Following the holding of its first major international conference at Geneva on 7 and 8 June 2004, UNRWA kept its stakeholders engaged through the establishment of a comprehensive follow-up process to implement the main recommendations made at the conference. As a result, a working group on stakeholder relations was set up, which itself spawned four drafting groups to look into issues such as the UNRWA programme cycle, policy dialogue, constituencies not currently represented in Agency meetings and structural arrangements for the improvement of stakeholder relations. One specific recommendation was the proposal to expand the membership of the Agency's Advisory Commission, with a view to reinvigorating it and ensuring a better reflection of stakeholder involvement. Work is under way on a draft resolution to that effect for the sixtieth session of the General Assembly.

30. Further important initiatives following the Geneva conference were the start, in cooperation with two European universities, of a project to survey and monitor comprehensively the refugees' socio-economic situation, thus enabling the Agency better to ascertain their needs. The Agency continued its efforts to devise and implement a comprehensive gender mainstreaming policy, and during the reporting period field research led by an external gender consultant was completed. An external donor review of the Agency's management structure and processes was also initiated.

31. UNRWA also responded to recommendations made at the Geneva conference by setting up a Camp Development Unit within its Department of Operational and Technical Services. The unit is expected to concentrate on major infrastructure projects involving improvements in the living conditions in camps, while adopting a more holistic "sustainable livelihoods" approach that includes community participation and increased attention to the physical, social and economic facets of refugee lives. Aspects of this comprehensive approach to camp development are being piloted in the Neirab Camp Rehabilitation Project in the Syrian Arab Republic, the first phase of which involves moving 300 families from dilapidated barracks in Neirab camp to newly built housing units in Ein El-Tal.

32. The Agency remained reliant on voluntary contributions to fund its regular programme operations. During the reporting period, the Agency's donor contribution income increased from $305.9 million to $351.2 million. In December 2003, the General Assembly approved the Agency's regular budget submission for the biennium 2004-2005 at the level of $711.9 million. Donor pledges for 2005 amounted to $375.8 million by the end of the reporting period, leaving a funding gap of $24.6 million below the 2005 revised budget of $399.8 million. It is hoped the gap will be covered in the remaining months of the year.

33. Even if contributions were to match the Agency's approved budget, they would still cover levels of expenditure that are minimal in relation to refugee needs. For example in education, the Agency's largest programme, 75.2 per cent of schools operate on a double-shift basis owing to a shortage of school buildings. Classroom occupancy rates continue to average 40.5 pupils per class, and in some fields this figure rises to over 44.7 per class. For the immediate future, the Agency is compelled to plan on the basis of double shifts in its schools, which has adverse effects on the quality of education by reducing teaching time, eliminating extra-curricular activities and raising maintenance costs. Teacher salaries are at levels where the Agency is experiencing difficulties in recruiting and retaining qualified staff. Similarly in the field of health, increasing pressures were felt as health staff coped with inordinately high numbers of patients. An increasing refugee population has also meant higher numbers of special hardship cases requiring relief. While the Agency's staff assisted 62,503 special hardship case families in the reporting period, compared with 61,296 in the preceding year, it was forced to limit further growth in the special hardship case caseload because of funding constraints.

34. Chronic underfunding of the Agency's regular programmes has had an adverse impact on its human resources and infrastructure, thus affecting the services it provides for the refugees. The financial situation requires concerted steps by donor countries to increase their contributions to UNRWA to keep pace with the increase in the refugee population, to eliminate the structural deficits in the Agency's budget and to re-establish a sound basis for its future financial viability. The preservation and further strengthening of the Agency's recognized capacity to contribute to human development and to respond

to humanitarian emergencies is essential. Implementation of the UNRWA medium-term plan will require considerable additional resources and is indispensable to restoring, preserving and enhancing the quality of the Agency's services.

35. The Agency's operations have been sustained over the past five decades with the generous assistance not only of its major donor countries, but also of its host countries. The strong support of the Governments of Jordan, Lebanon and the Syrian Arab Republic as well as the Palestinian Authority for the Agency and its operations was maintained. Operational cooperation with the Government of Israel improved in the latter half of the reporting period, particularly as the Israeli disengagement from the Gaza Strip drew closer.

Five fields of operation

36. In the occupied Palestinian territory, the living conditions of the refugees have been severely affected by violence, Israeli closures and destruction of property and livelihoods. Drastically reduced access to the labour market in Israel since September 2000 has caused a massive increase in unemployment in the occupied Palestinian territory and led to severe socio-economic distress. The impact of those measures and the Agency's response thereto have been described in earlier paragraphs and are detailed in chapter IV. The Agency's regular budget allocation for the occupied Palestinian territory was $164 million in 2005 versus $156.9 million in 2004.

37. The largest number of Palestine refugees resides in Jordan. Most enjoy full Jordanian citizenship, are able to work in government offices and throughout the local economy and have access to governmental institutions and other assistance. The Government of Jordan has reported expenditure amounting to $463,537,976 on behalf of Palestine refugees and displaced persons during the reporting period. This covers services such as education, rent and utilities, subsidies and rations, camp services, health care, public security and social services. The Agency's regular budget allocation for the Jordan field was $76.1 million in 2005 compared with $74.6 million in 2004.

38. Palestine refugees in Lebanon are among the most disadvantaged in the region. They have limited access to government services or the labour market, and have to depend almost entirely on the Agency for basic services. Unemployment among refugees is high and living conditions poor. While entry of construction materials to camps is subject to approval from the Lebanese army, this did not cause delays during the reporting period. Legislation preventing Palestine refugees from buying immovable property remains in force. Recently, the Government of Lebanon announced that restrictions on access to the Lebanese labour market for Palestine refugees would be eased. While certain professions would still be excluded, this is a welcome development that should serve to ease the economic hardship facing the Palestine refugee population living in Lebanon. The Government of Lebanon has reported expenditure of approximately $30 million on behalf of Palestine refugees. The UNRWA regular budget allocation for the Lebanon field was $54.6 million in 2005 compared with $52.8 million in 2004.

39. Palestine refugees in the Syrian Arab Republic continued to have full access to government services and to the labour market. The Government of the Syrian Arab Republic reported expenditure of $116,439,789 on behalf of the refugees during the reporting period. This covered education, health, housing, utilities, security, supply costs and social services. The Agency's budget allocation for the Syrian field was $28.3 million in 2005 compared with $28.1 million in 2004.

40. UNRWA maintained close cooperation with a number of United Nations programmes and organizations, including UNDP, UNESCO, UNHCR, UNFPA, UNICEF, the Office for the Coordination of Humanitarian Affairs, the Office of the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority, WHO, WFP and UNAIDS. The Agency also cooperated with local and international non-governmental organizations in its five fields of operation. In particular, it enjoys excellent working relationships with the International Committee of the Red Cross and the Palestinian Red Crescent Society. In order to fulfil the responsibilities of the Commissioner-General as the United Nations Designated Official for the overall security and protection of United Nations staff and family members in Israel, the West Bank and the Gaza Strip, UNRWA maintained contacts with UNTSO. UNRWA also continued to participate in the multilateral aid coordination structures for the occupied Palestinian territory, facilitated by the Office of the Special Coordinator. In the reporting period, UNRWA actively contributed to the strengthening and improving of mechanisms coordinating the response of the United Nations system to the humanitarian emergency in the occupied Palestinian territory, chairing the Operational Coordination Group for which the Office for the Coordination of Humanitarian Affairs provides the secretariat support. The Agency also participated in the drafting of the 2004 consolidated appeal for the occupied Palestinian territory compiled by the Office for the Coordination of Humanitarian Affairs and is a member of the numerous aid coordination forums in place. It cooperated closely with the Quartet's Special Envoy for Disengagement.

41. UNRWA entered the fifty-sixth year of its operations in 2005. The General Assembly, by its resolution 59/117 of 10 December 2004, extended the Agency's mandate until 30 June 2008. The Agency has, over the decades, become the symbol of the international community's commitment to the well-being of the Palestine refugees until a just and durable settlement of the refugee problem is achieved. Preserving the quality and extent of the Agency's services is essential if the international community is to maintain this humanitarian commitment, its engagement in favour of human development and the promotion of regional stability.

Chapter II
Developments in Agency programmes

A. Education

42. *Objectives*. Through four main educational areas, namely, general education; teacher education; vocational and technical education; and education planning and management, the Agency seeks to empower Palestine refugees with the knowledge base and skills that will enable them to become self-reliant and productive members of their communities. The education programme seeks to embody the identity and cultural heritage of the refugees, and endeavours to engender a spirit of interdependence and tolerance, in particular by fostering awareness of fundamental human rights, means of conflict resolution, the necessity of gender equity and the elements of the Convention on the Rights of the Child.

Elementary and preparatory schooling

43. *Enrolment*. The Agency's basic education programme consists of a six-year elementary cycle and either a three- or a four-year preparatory cycle, reflecting the structure of the host authority educational system where possible. A total of 486,134 pupils (Jordan 131,155, Syrian Arab Republic 62,916, Lebanon 37,888, West Bank 60,004 and Gaza Strip 194,171), just over half of them girls, were enrolled in the 2004/05 academic year in 647 UNRWA schools. While the enrolment in the Gaza field grew over 1 per cent, the Lebanon, Syrian Arab Republic, Jordan and West Bank fields registered negative growth of 3.5, 1.6, 2.3 and 0.2 per cent respectively. The increase in the Gaza Strip is due to population growth. Decreases in other fields may be attributed to a variety of factors, such as transfers to government schools due to deteriorating access to UNRWA schools (as a result of the construction of the barrier in the West Bank); the transfer of refugee pupils from UNRWA schools to newly constructed government schools near refugee camps; and a worrying dropout rate in Lebanon, where the children are entering the workforce because of the dire socio-economic situation. UNRWA maintains cooperative agreements with host authorities under which, to better serve pupils in remote areas, 229,530 refugee pupils are enrolled at government and private schools at the elementary and preparatory levels, while 40,056 non-refugee pupils attended UNRWA schools.

44. *Performance*. In the annual Lebanese brevet examination for students at the third preparatory level held in July 2004, pupils in Agency schools attained a pass rate of 53 per cent, compared with 64 per cent in government schools. This performance lag is caused by a continuing lack of adequate resources, but does represent a 3 per cent improvement in UNRWA students' achievement over the previous school year, and can be attributed to remedial action taken by the Agency. UNRWA students' pass rate in the Syrian Arab Republic State Preparatory Examination was 96 per cent compared to 66 per cent for government schools. This high rate was in part due to effective monitoring and evaluation, combined with remedial work. Agency-wide monitoring achievement tests in mathematics, science and Arabic language for grades 5 to 7 were administered in all fields. The analysis will be used for designing a baseline to assess progress and impact. Education authorities in Jordan and the occupied Palestinian territory do not hold comparable examinations.

Remedial and special education

45. The Agency's remedial and special education programmes ensure that children with learning disabilities receive specialized attention, including audio-visual programmes, curriculum enrichment materials and self-learning kits. In the 2004/05 academic year, 12,718 children benefited from these programmes. In the continued absence of sustained project funding for special education, the Agency explored ways to provide assistance for all children with learning difficulties by utilizing the Agency's available resources and expertise.

Secondary schooling

46. UNRWA offers secondary education at five schools in Lebanon because Palestine refugees have difficulty accessing government schools, and private schools are prohibitively expensive. A total of 2,661 pupils were enrolled in the five UNRWA secondary schools during the 2004/05 academic year. UNRWA pass rates for the official secondary examination (Bacc II) during 2003/04 were almost 90 per cent, compared to 67 per cent in private and government schools.

Education infrastructure; upgrading structures

47. Since the 1994/95 academic year, the total enrolment in UNRWA schools has increased by almost 20 per cent, but the number of school buildings has increased by only 1 per cent. The education infrastructure has not been adequately upgraded or maintained over the past several years. The average classroom occupancy rate in the reporting period was 40.5 pupils per classroom, ranging from 44.7 pupils per classroom in the Gaza Strip to 34.6 pupils per classroom in Lebanon. Many UNRWA schools, particularly those constructed in the 1960s, have become dilapidated, and the Agency continued to seek project funding for the improvement and expansion of its schools.

48. The total number of UNRWA schools decreased by 11 to 647 in the 2004/05 academic year because some of the small, rented schools were amalgamated (the number of schools in the Jordan field decreased from 190 to 177) or replaced by new, larger schools that are wheelchair accessible, have larger classrooms, science laboratories, libraries, computer laboratories and playgrounds. The Agency also constructed three new school buildings (one in Lebanon and two in the Gaza Strip), 81 additional classrooms (6 in Lebanon, 4 in the Syrian Arab Republic, 30 in the West Bank and 41 in the Gaza Strip) and eight specialized rooms (one in the Syrian Arab Republic and seven in the Gaza Strip) to avoid triple shifting and to replace unsafe or dilapidated classrooms. Three additional school buildings in the West Bank, two classrooms and four specialized rooms in the Gaza Strip and two classrooms in Jordan are under construction.

49. *Double shifting*. UNRWA continued operating schools on a double-shift basis, i.e., housing two separately administered schools in a single building. Despite the expanded programme of school construction since 1993 under the peace implementation programme and project funding, the rate of double shifting in the past 10 years has remained above 75 per cent in UNRWA schools.

50. *Rented schools*. Owing to the insufficient number of Agency buildings, UNRWA has resorted to renting premises for some of its schools, mostly outside refugee camps. Such rented buildings generally lacked adequate classroom space,

proper lighting, ventilation and space for extra-curricular facilities. While the number of rented premises has been reduced by 16 since 1994/95, the Agency was able to vacate only one rented building during the reporting period. The current 72 rented premises house 107 schools, most of them in Lebanon and Jordan.

Education reform

51. The education programme continued to adhere to the education curricula of host authorities, necessitating the introduction of changes in UNRWA school curricula when such changes were made in host authority curricula. Except in two schools in the Jerusalem area, the Agency remained unable to introduce the tenth grade in the West Bank and Gaza fields. In the Syrian Arab Republic, a new study plan, curricula and textbooks for the elementary and preparatory cycles continued to be gradually introduced, a process which started in the 2000/01 academic year. In Jordan, UNRWA introduced computer science for the seventh and eighth grades. The Palestinian curriculum, introduced in 2000/01, is being fully integrated over a span of five years, and comprises several innovations, including new subjects such as civic education and information technology, the teaching of English beginning at grade 1 instead of 5, and the offering of French.

Vocational, technical and teacher training

52. UNRWA offers courses in 60 specializations requiring two years of study at eight training centres in the five fields of operation at both post-preparatory and post-secondary levels. UNRWA training centres offered 28 trade courses in the mechanical, electrical and building trades, as well as vocational courses for women, and 32 technical and semi-professional level courses in various technical, paramedical, and commercial subjects at the post-secondary levels. During the reporting period, 26 senior vocational trainees and instructors were selected for donor-supported, three-month training courses abroad in mechanical and metallurgical engineering.

53. During the reporting period, UNRWA introduced new training courses in such subjects as computer information systems, information technology, clothing, interior design, banking and financial management, nursing, and safety and hygiene. Some 5,223 students (34.5 per cent women) were enrolled in 2004/05, an increase of 92 students over the previous year (the number of applicants is three times the number admitted). The technical/semi-professional courses offered varied from one centre to another, according to the needs of the local labour market and what is available at other institutions. The Agency also offers short-term training courses organized on an ad hoc basis in cooperation with governmental entities and non-governmental organizations (NGOs). During the 2004/05 academic year, 2,045 trainees were enrolled in 67 such courses offering training in a wide variety of disciplines, including the International Computer Driving Licence, Cisco Certified Network Professional and other technical courses.

54. *Performance*. UNRWA trainees in Jordan maintained excellent results in the comprehensive examinations for community colleges administered by the Jordanian Ministry of Higher Education in July 2004, with pass rates of 100 per cent at the Amman Training Centre and 90 per cent at the Wadi Seer Training Centre, compared to the national average of 67 per cent in corresponding subjects. For the first time since 1993, the comprehensive examination held by the Palestinian

Ministry of Higher Education was not conducted, because of restrictions on freedom of movement imposed by the Israeli authorities. The education authorities of Lebanon and the Syrian Arab Republic do not hold similar examinations.

Education science faculties

55. The Agency's three education science faculties in Jordan and the West Bank continued to provide pre-service training leading to the first-level university degree in education. The four-year programme was offered to 1,170 secondary school graduates, 785 of whom were women and, in July 2004, 135 students graduated. Of the 226 graduates in 2002/03, 107 were hired by the Agency. The Agency also provided teacher training to 119 students at Siblin Training Centre in Lebanon. Of the 55 who graduated in August 2004, 32 were recruited by the Agency.

Institute of Education

56. UNRWA continued to provide in-service training for Agency teachers and school supervisors through the UNRWA/UNESCO Institute of Education. In 2004/05, 1,051 teachers in the five fields enrolled in this in-service training, most for courses lasting from one to two years. The training covers planning, organizing and preparing training programmes, as well as child participation, peer mediation, conflict resolution and children's rights.

University scholarships

57. Since the 1997/98 academic year, budgetary constraints have forced the Agency to discontinue its contribution from the general budget to the Agency's scholarship programme. Through project funding, the Agency nevertheless supported 248 scholars in 2004/05. In Lebanon, UNRWA continued administering a scholarship project for 110 female Palestinian university students, which has so far enabled 15 women to obtain degrees. Another 15 scholarships were awarded to Palestine refugee students at the Arab Open University. A newly established project allowed 49 distinguished refugee students from the five fields of UNRWA operation to attend university. UNRWA provided 55 scholarships under the emergency appeal and an individual donor supported another 19 scholarships for special hardship cases in Jordan.

Placement and career guidance

58. The Agency continued to offer placement and career guidance services to Palestine refugee graduates of Agency training centres and other educational institutions. Counselling services are also provided to pupils in the Agency's preparatory schools to familiarize them with the training courses available at the Agency's training centres. The Agency continued to follow the employment histories of its graduates and their career performance after the initial period of employment. Of the 2,439 graduates from UNRWA vocational training centres in 2002/03, 78 per cent were employed in 2004. The Agency's placement and career guidance office continued to facilitate recruitment by employers, helped match candidates with vacancies and made candidates aware of available job opportunities. UNRWA also carried out periodic surveys of market demand in order to achieve a better match between training courses and job requirements.

Programme budget and administration

59. The education programme remained the largest single area of activity in the Agency, with 19,152 education staff (including teaching and administrative staff), representing 77 per cent of all Agency staff (24,869), while the programme's regular budget of $188.5 million for 2004 amounted to 53.7 per cent of the Agency's total regular budget. Actual expenditure for 2004 was $193 million, representing 51.8 per cent of total Agency expenditure. In all fields except Gaza, nominal contributions at prescribed rates were collected from pupils and trainees on a voluntary basis to improve facilities and equipment in schools and training centres. Other forms of community support for the Education Programme included donations of furniture, photocopiers, tape and video recorders, overhead projectors, personal computers, printers and other equipment and supplies.

Special projects

60. The following special projects were begun or continued during the following period:

(a) A project in the final stages of planning will upgrade existing courses, improve management, organization and skills of staff and instructors, and modernize training equipment at the Siblin Training Centre in Lebanon, the Damascus Training Centre and the Gaza Training Centre.

(b) A donated computer bus has begun operation in the Gaza Strip to train schoolchildren in computer use. The bus will service UNRWA schools at a predetermined schedule and provide computer access and training to students and their families who would otherwise have little or no access to computer technology.

(c) Launched in 1998, the Computer and Information Technology Initiative project has significantly contributed to the establishment of information technology infrastructure at all UNRWA vocational training centres, most notably by introducing market-relevant courses in information technology and certified training programmes such as the International Computer Driving Licence and the Cisco Certified Network Professional. During the reporting period, accomplishments included the holding of training-of-trainers workshops, continuation of hardware upgrading, preparation of a master plan for training of vocational training centre staff, and the development of a website for career guidance and placement.

(d) A recently funded project in the Gaza Strip will introduce information and computer technology in UNRWA schools as part of a prescribed curriculum. The project, which will extend over two years, includes the construction of 103 fully equipped computer laboratories.

(e) The School as a Focus for Development. The Agency's developmental approach to school planning continues to reap benefits in all fields. School development teams are increasingly taking responsibility for strategic planning, school-based staff development, teaching and learning, school-community links and a quality ensurance system. All fields have completed training-of-trainers workshops on quality ensurance, and the quality ensurance delivery programme was implemented in 50 per cent of the Agency schools in the Syrian Arab Republic and Lebanon by the end of the reporting period. In addition, quality ensurance steering group workshops developed a set of standards and performance indicators to be used by school administrators in the 2005/06 academic year. Despite the obvious benefits

of the approach, it adds to the burden on an already overloaded teaching staff. Recommendations by external evaluators recognized this fact in citing the need for better information technology equipment, clerical support for head teachers, reduced teacher workloads and the creation of additional headquarters-based support. By the end of 2005, the approach will be fully integrated into the functioning of Agency schools.

(f) The Agency has introduced a management development programme to increase the capacities of senior managers of the education programme through developing creative and flexible approaches to management and implementing change within the Agency. In this context, a group of 18 management trainers received training skills. Training for middle management will be implemented over a two-year period ending in 2006.

Teaching tolerance and conflict resolution

61. The Agency continued to promote concepts and principles of basic human rights, to raise awareness among both pupils and staff of the importance of tolerance and to train Palestine refugee children and youth in conflict resolution. During the academic years 2003/04 and 2004/05, the human rights programme was extended to cover all UNRWA schools in the five fields as well as the eight UNRWA vocational training centres. The programme has been incorporated into study plans of the education science faculties in the West Bank and Jordan, and has become part of the Institute of Education's in-service training courses in the five fields. Summer camps on human rights activities have been organized in all fields. An internal monitoring study on the impact of the project showed a positive impact on UNRWA school students. The principles of the Convention on the Rights of the Child have been promoted in UNRWA schools through pamphlets, posters, lectures and other activities. Children's involvement in school governance issues through school councils has been a highlight of this effort.

Impact of funding shortfalls

62. Funding shortfalls reduce the quality of teacher/pupil interaction, increase workloads for teaching and supervisory staff and make it difficult to hire qualified teachers. Further, they limit the Agency's ability to implement educational reforms introduced by host authorities and to maintain school premises adequately. The 75 per cent double shifting in UNRWA schools falls below host country standards and represents a significant handicap for the education of Palestine refugee children.

Cooperation with UNESCO, UNICEF and the League of Arab States

63. The UNRWA education programme is run in cooperation with UNESCO, which continued to fund six senior managerial and technical posts (two international, four area staff), including the Director of Education. The fourteenth annual joint meeting of UNRWA and the League of Arab States' Council on Education for the Children of Palestine, held in Cairo in December 2004, welcomed the Agency's efforts to provide Palestine refugee children and youth with educational services, despite its financial constraints. Within the framework of cooperation with UNRWA, UNESCO provides yearly support to UNRWA for capacity-building in technical and vocational education, for extra-curricular activities and for equipment.

Operational constraints

64. The UNRWA education programme in the occupied Palestinian territory has been severely affected by the ongoing crisis. UNRWA remains concerned about violations of the Palestine refugee children's right to life, education and health. During the reporting period 23 pupils and 2 teachers were killed, and 39 students and 2 teachers were wounded in the occupied Palestinian territory. Curfews and closures continued, creating major disruptions in school functioning and attendance. In addition to external factors, the six-week strike declared by the UNRWA local staff union in the West Bank added further disruptions to the programme. While the mid-year vacation was shortened and the school year was extended to compensate for the disruption, the negative effects of the strike on education were evident in the decrease in achievement observed in the unified examinations conducted in the first semester of the academic year 2004/05. Plans were made to provide compensatory education for the lost days.

B. Health

Objectives

65. The UNRWA health programme aims to protect, preserve and promote the health status of Palestine refugees and meet their basic health needs consistent with basic WHO principles and concepts and with the standards of public sector health services in the Agency's area of operations. UNRWA remains committed to health interventions consistent with the Millennium Development Goals, three of which — reducing child mortality, improving maternal health and combating malnutrition and infectious diseases — are directly related to health, while others have important indirect effects on health.

66. During the reporting period, programme priorities continued to focus on sustaining adequate levels of investment in primary health-care services, with special emphasis on maternal and child health care and disease prevention and control; assistance towards secondary care; emergency responses to the crisis in the occupied Palestinian territory; and contributing to the process of sustainable development by improving environmental health infrastructure in refugee camps. The Agency's medium-term plan for the period 2005-2009 addresses the need to reduce the disparity between Agency standards and those of the host authorities in terms of human and financial resource allocations, access to primary health-care services, environmental health infrastructure in refugee camps, institutional capacity-building, use of information technology, unmet priority health needs (such as psychosocial well-being) and early detection and management of child disabilities. The ability of the Agency to bridge the gaps in these areas depends on the receipt of funding for the medium-term plan.

Demographic and epidemiological profile of the refugees

67. Some 39.4 per cent of the Palestine refugee population is below 18 years of age and 24.6 per cent consists of women of reproductive age. The ageing index of the population (population aged 60 years and over divided by population below 15 years of age) is 30.1 compared to a world average of 33.4. The total refugee fertility rates vary, from 2.5 and 2.6 in the Syrian Arab Republic and Lebanon, to 4.4 in the Gaza Strip. As a result of increased literacy, generalized socio-economic hardship,

increased public awareness of the need for child spacing and the wide use of modern contraceptive methods, the historically high growth rates of more than 3.5 per cent among the Palestine refugees over the past two decades slowed to 2.5 per cent. However, since the humanitarian crisis began late in 2000, this trend has been reversed in the Gaza Strip.

68. A recent UNRWA study has shown that the overall infant mortality rate in the Agency's five fields of operation is 22 deaths per one thousand live births. Congenital malformations, low birth weight and prematurity account for over 52 per cent of infant deaths. In addition to the steady decline in infant, child and maternal mortality, the refugee populations are undergoing an epidemiological transition towards patterns in more developed countries characterized by the increased incidence of non-communicable diseases, such as cardiovascular diseases and diabetes, while still living with the persistent threat of communicable diseases. Among the refugee population, UNRWA has helped bring vaccine-preventable diseases under full control, and no cases of poliomyelitis, neonatal tetanus, pertussis or diphtheria have been reported over the past decade in the Agency's area of operations. Malnutrition and anaemia show signs of resurgence in the occupied Palestinian territory and micronutrient deficiencies were highly prevalent in the Agency's area of operations during the reporting period, with 22 per cent of children under 5 years of age suffering from vitamin-A deficiency, and 54.7 per cent of children under 3 years of age in Gaza and 34.3 per cent of such children in the West Bank suffering from anaemia. Physical disabilities and mental and psychological problems, especially among children in the occupied Palestinian territory and Lebanon, were on the increase.

Budgetary and human resources

69. According to WHO, spending on health in low-income countries ranged from $2 to $50 per capita per year. Average Agency expenditure on health in 2004 was $14.6 per capita[1] for the range of Agency health services comprising outpatient medical care, laboratory and radiology support services, maternal and child health care, family planning, school health services, disease prevention and control, dental care, and physical rehabilitation and hospitalization services. The Agency's health services were cost-effective by regional and international standards. A WHO team that carried out a technical assessment of the UNRWA health programme early in 2005 concluded that for the Agency to be able to both sustain current services and address new priorities an additional spending of $10 per capita is required.

70. This large disparity between financial resource allocations and health outcomes cannot be sustained, if Agency income does not increase to meet rising population growth, inflation, changes in the demographic and epidemiological profile of the refugee population (including increased lifespans and a rising burden of non-communicable diseases) and changes in health needs and priorities. Of additional concern to the Agency was its difficulty in retaining and recruiting professional health staff, especially in the senior managerial category, because UNRWA conditions of service were not competitive with alternative opportunities.

71. Approximately 56 per cent of cash allocations to the health programme were devoted to the costs of over 3,700 locally recruited health staff Agency-wide who implemented all core programme activities. The number of available staff continued

[1] Estimated spending per actual user is $20 per year.

to fall below those required to meet increasing needs, and far below the standards maintained by the host authorities. The 2006-2007 results-based programme budget was therefore prepared in a manner that enables the Agency to respond to priority needs in health, should additional resources become available.

72. In spite of intensive investment in staff training and development, staff capacity continued to be stretched to the limit. Should the current trends of underfunding continue, the quality of services could deteriorate and the Agency's achievements in primary health care could be compromised, especially in the occupied Palestinian territory, where there was more than a 60 per cent increase in the utilization of the Agency's general clinic services over pre-crisis levels. In order to minimize the adverse consequences of staffing shortages, special emphasis was placed on enhancing the knowledge, skills and capabilities of professional staff through in-service training. During the reporting period, a total of 6,269 staff-days of training were provided to medical, nursing and paramedical personnel in the Agency's areas of operation. Consistent with the United Nations Millennium Declaration, special attention was given to issues relating to gender mainstreaming, including providing equal employment opportunities for women. Women accounted for almost 30 per cent of the Agency's health specialists and approximately 40 per cent of paramedical staff.

Primary medical care

73. Primary medical care services comprising outpatient care and issuance of medical supplies were offered through a network of 125 primary health-care facilities, distributed both inside and outside refugee camps in the Agency's five fields. These services were complemented by oral health services provided through 81 dental clinics and 8 mobile dental teams, 13 physiotherapy clinics and other essential support services, including 99 laboratories and 16 radiology units integrated within the primary health-care facilities. Some 46 specialists in gynaecology/obstetrics, cardiology, chest diseases and ophthalmology provided ambulatory care to patients referred by medical officers at UNRWA health centres.

74. During the reporting period, the Agency's general clinics handled more than 8 million medical and 600,000 dental outpatient consultations. The utilization of services varied from one field to another depending on ease of access to UNRWA facilities and the availability of services of other providers or otherwise. The target workload per doctor is 70 consultations per day, but is far outstripped by the average workload of 100 consultations per day, reaching 140 consultations per day in the Gaza Strip. The reporting period saw significant upgrading of primary health-care facilities, including the reconstruction of one health centre in the Gaza Strip and one in Lebanon, the expansion of three health centres in the Syrian Arab Republic, the establishment of three additional health centres, one in the Gaza Strip and two in the West Bank, and the expansion of the field pharmacies in the Syrian Arab Republic and the West Bank. In addition, the model medical formulary and the manual on basic laboratory techniques were updated, consistent with the WHO model list of essential medicines and best laboratory practices.

Secondary care

75. In addition to running the 63-bed Qalqilia Hospital in the West Bank, UNRWA provided assistance towards secondary care for Palestine refugees through the

partial reimbursement of costs incurred for treatment at government or NGO hospitals and/or through contractual agreements with NGO or private hospitals. UNRWA applies strict referral criteria, maintains a system of co-payment by refugees, and monitors service utilization and the morbidity trends of hospitalized patients. A government decree in the Syrian Arab Republic increased hospitalization charges by 460 per cent effective 2005, compounding the Agency's difficulties in supporting secondary care. During the reporting period, a total of 57,882 patients benefited from the Agency's assisted hospitalization schemes, utilizing more than 148,535 bed-days. Access to UNRWA-contracted hospitals was seriously affected in the Gaza Strip and the West Bank as a result of closures and curfews, placing additional financial burdens on the Agency's scarce resources, which had to be met from pledges to the emergency appeals.

76. An Agency study of UNRWA hospital services highlighted the need to implement more equitable and cost-effective policies in the Agency's five fields. To this effect, the budget for the biennium 2006-2007 included provision for increasing the budget allocations for the disadvantaged fields (Jordan, the Gaza Strip and the Syrian Arab Republic). In addition, the Agency's contribution to individual patient subsidies in the Gaza Strip was increased from 60 to 75 per cent towards the costs incurred by refugees for treatment at secondary and tertiary care hospitals. An assessment of available hospital facilities was undertaken to consider cost-effective and affordable options for improving the standards of hospital care in the Gaza field.

Health protection and promotion

77. During the reporting period, UNRWA continued to place special emphasis on women's and children's health through an expanded maternal and child health programme, which is fully integrated within the Agency's primary health-care activities and offered prenatal, post-natal and family planning services, as well as assistance to women during childbirth. This was provided through the Agency's hospital at Qalqilia in the West Bank and maternity units in the Gaza Strip, and by subsidizing delivery assistance for women with high-risk pregnancies at government or contracted hospitals.

78. UNRWA also carried out growth monitoring and immunization of children under 3 years of age and preventive care to children from 6 to 15 years of age enrolled in UNRWA schools. The Agency maintained a proactive system of maternal health assessment, surveillance and management, which provided preventive care to pregnant women and special care to women with high-risk pregnancies. The Agency also continued implementing a system of confidential inquiry into maternal deaths.

79. During the reporting period, UNRWA primary health-care facilities provided preventive care to 224,579 children under the age of 3, representing approximately 92 per cent of the registered refugee population below that age, and prenatal care to some 85,637 pregnant women, who accounted for approximately 68.7 per cent of the estimated number of pregnancies among refugee women of reproductive age. It also provided assistance towards delivery for 77,274 women through the Agency's maternity units in the Gaza Strip or in hospitals. Overall, 99.3 per cent of reported deliveries were attended by trained personnel and 98.8 per cent of pregnant women served by UNRWA were immunized against tetanus. The Agency also provided post-natal care to approximately 90.6 per cent of women who received prenatal care. The number of family planning users increased by 9.4 per cent during the reporting

period, and a total number of 104,803 women were using modern contraceptive methods.

80. Anaemia levels for pregnant women and children aged 6 to 24 months were regularly assessed as part of a strategy for providing prophylactic iron and folate supplements. In addition, the Agency provided food aid for pregnant women and nursing mothers in the form of dry rations and had fortified wheat flour distributed to target groups. Studies conducted during the reporting period revealed anaemia (for the most part, mild) among 33.8 per cent of children under 3 years of age and 26.2 per cent among pregnant women, with the highest rates in the Gaza Strip: 54.7 per cent among children and 44.7 per cent among pregnant women. Consistent with WHO-recommended strategy, a deworming programme for schoolchildren was implemented in all fields, using a one-dose, highly effective anti-helminthic agent administered in three consecutive years.

81. During the reporting period, the Agency's strategy on school health services was revised to improve service standards and give more attention to children with special health needs. In addition, technical guidelines were prepared for the start-up of a programme for screening women for breast and cervical cancers, leading causes of morbidity and mortality.

82. A study was conducted to assess adolescents' knowledge of and attitudes towards family and reproductive health issues and lifestyle practices. The study revealed that adolescents enrolled in UNRWA schools had generally good awareness of the dangers of inter-family marriage, issues related to child spacing, the modes of transmission of HIV/AIDS, breastfeeding and immunization. The study contained alarming findings regarding social determinants of health, such as rates of unemployment of parents and child labour. It also showed that 76 per cent of the respondents aspired to higher education. There were significant gender variations in the attitudes towards smoking, future employment aspirations, inter-family marriages and recreational activities. The study highlighted the need for developing appropriate life-skills programmes targeting schoolchildren and youth.

83. The conference held at Geneva in June 2004 on meeting the humanitarian needs of the Palestine refugees acknowledged the UNRWA achievements in health and made several recommendations to further reinforce the principles set out in the Convention on the Rights of the Child, including providing universal access of women and children to basic prenatal and post-natal services, safe delivery, immunization, nutrition and mental health. Follow-up on the implementation of the conference recommendations included efforts to further develop the programme of psychosocial support in the Gaza Strip and the West Bank by streamlining organizational structures, revising the scope of interventions and training and educational materials, seeking technical assistance from WHO/EMRO (Eastern Mediterranean Regional Office) in the evaluation of the programme, enhancing capacity-building of health, teaching and social worker staff, and reinforcing cooperation and complementarity of services within the framework of the Palestinian national mental health plan.

84. The Agency secured funding for a number of significant health protection and promotion activities, including a programme for the early detection and management of child disabilities, with special emphasis on visual impairments among schoolchildren in the Syrian Arab Republic, a programme to screen for vision and hearing deficiencies among children enrolled in UNRWA schools, and

other programmes to provide iron and vitamin supplements to children 6 to 36 months of age, and for conducting a survey to assess mental health problems among Palestine refugees in Lebanon.

Disease prevention and control

85. During the reporting period, the Agency continued its efforts to control vaccine-preventable diseases and communicable diseases of public health importance, to prevent newly emerging diseases, such as HIV/AIDS, to control re-emerging infectious diseases, such as tuberculosis, and to prevent chronic non-communicable diseases, such as cardiovascular diseases and diabetes mellitus (see annex I, table 6).

86. An outbreak of mumps, which started in December 2003 in Nablus in the West Bank, spread to other West Bank districts during the reporting period. More than 4,000 children, both refugees and non-refugees, of whom 85.6 per cent were more than 6 years of age, were affected. An issue of concern was the fact that 76 per cent of those children had been vaccinated against mumps. A joint WHO/CDC (Centers for Disease Control and Prevention) analysis of data collected mainly by UNRWA concluded that outbreaks would not be expected among populations who received one dose of the MMR vaccine, and therefore, recommended the launch of a mass MMR vaccination campaign in the Gaza Strip and the West Bank. The campaign was completed in the West Bank during May 2005 in collaboration among the Ministry of Health of the Palestinian Authority, UNRWA and UNICEF.

87. An outbreak of rubella was reported from several districts in Jordan, which prompted the Ministry of Health to carry out an MMR mass immunization campaign targeting children in the affected localities. Coverage of the Agency's expanded programme of immunization continued to be monitored through the rapid assessment technique, which revealed that during 2004 the target of sustaining more than 95 per cent coverage of primary and booster series was attained.

88. UNRWA remained committed to achieving the WHO/UNICEF/CDC targets for the eradication of poliomyelitis and neonatal tetanus and for reducing mortality from measles by half in 2005. During the reporting period, special emphasis was placed on reinforcing rational prescribing of antibacterial medicines in order to reduce antimicrobial resistance.

89. The Agency also implemented the WHO directly observed treatment, short-course strategy for the control of tuberculosis. While the Lebanon and Syrian Arab Republic health programmes attained the WHO targets under this strategy, the Jordan, Gaza and West Bank fields were far behind. Concerned about the low surveillance activities in the occupied Palestinian territory, the Agency requested WHO/EMRO to carry out a comprehensive assessment of tuberculosis prevention and control activities in the Gaza Strip and West Bank in close collaboration with all care providers. In all these activities, UNRWA was ahead of the targets, maintained close collaborative links with the health ministries concerned and participated in all WHO meetings on the expanded programme of immunization, tuberculosis and HIV/AIDS.

90. By the end of 2004, the Agency provided non-communicable disease care to over 121,653 patients, two thirds of whom were women. This did not reflect the epidemiological profile of the population, but rather the attendance pattern at

Agency primary health-care facilities. The increased incidence of morbidity, disability and mortality from non-communicable diseases is of great concern to the Agency. UNRWA recognizes that detecting and managing these conditions at the primary level reduces the costs of later treatment at the secondary and tertiary levels. During the reporting period, the intervention strategy for the prevention and control of non-communicable diseases was revised to improve screening and early detection, to rationalize the range and frequency of laboratory investigations and to place special emphasis on the prevention of cardiovascular complications. The two health educational programmes on prevention of smoking and on HIV/AIDS, which started in 1996, were implemented as multidisciplinary activities targeting adolescents and schoolchildren. In addition, registries on cancer and hereditary anaemia were established in all fields to monitor incidence and prevalence trends.

Environmental health

91. Approximately 1.3 million Palestine refugees in 58 camps in the Agency's five fields, representing 30 per cent of the total registered refugee population, benefited from environmental health services provided by UNRWA in cooperation with local municipalities. Services included sewage disposal, storm water drainage, the provision of safe drinking water, the collection and disposal of refuse and the control of insect and rodent infestation.

92. The Agency continued to play an active role in the planning and implementation of large-scale projects for the construction of sewerage, drainage and water networks in camps and the upgrading of solid waste collection and disposal facilities through mechanization. Projects for improving water, sewerage and drainage in five refugee camps in Lebanon were completed. In the meantime, works are expected to commence soon for construction of a sewerage system in one refugee camp and water and sewerage systems in another refugee camp in the Syrian Arab Republic.

93. In the Gaza field, through its special environmental health programme established in 1993, the Agency conducted detailed feasibility studies and implemented projects costing some $36.5 million, while ongoing projects amount to $23 million. The first stage of the Gaza shore protection project, designed to protect infrastructure along the coast from sea intrusion, and additional phases of the project for improving sewerage systems in middle camps were completed. The programme also played a major role in the emergency job creation programme and emergency infrastructure projects, such as water, wastewater, storm-water drainage, electricity and roads, for the rehousing of families whose shelters were destroyed as a result of Israeli military actions. Pending the availability of funds, projects that are on the Agency's priority list, including the final phases of sewerage systems for the middle camps and a sewerage system in the Khan Younis area, estimated at $11.36 million, will commence.

Monitoring and evaluation

94. The Agency carries out periodic reviews of the various components of the health programme in order to evaluate system performance, assess the appropriateness, relevance and cost-effectiveness of the approved intervention strategies and define the future direction of the programme based on analysis of needs and priorities. Owing to the limited resources available to the programme,

these self-evaluations were carried out building on the technical expertise that already exists within the programme. During the reporting period, a review was made of the Agency's medical-care programme, which covered assessment of the trends in the utilization of medical supplies, productivity and efficiency of laboratory and oral health services and a centre-by-centre assessment of maternal and child health services. In addition, as previously indicated, studies were conducted to assess the prevalence of iron-deficiency anaemia among women and children, the knowledge and attitudes of adolescents enrolled in UNRWA schools and the current prescribing practices of antibacterial drugs.

95. In addition to these self-evaluations and surveys, the Agency completed the design of a new health management information system, which will improve the surveillance, monitoring and evaluation of maternal health and non-communicable disease services, as well as action-oriented interventions and response at the service delivery level. The scope of this project, which was originally pursued in collaboration with CDC, has been expanded to cover other programme areas, including a medical supply management information system, a hospital management information system and a project to computerize clinic records. A centre-by-centre survey was conducted in all primary health-care facilities in the five fields to assess the pattern of resource allocation and patient flow and to determine needs for redeployment of human and material resources. These initiatives helped to enhance the skills and capabilities of staff at the service delivery level and provided useful evidence on which management decisions could be based.

Cooperation with host authorities

96. UNRWA has historically maintained close working relationships with the public health departments of the host authorities. Senior UNRWA health staff in the Gaza Strip and West Bank enjoy membership in all technical committees established by the Ministry of Health of the Palestinian Authority to review practical aspects of health policy and to coordinate action in the health sector. Senior staff in Jordan took part in all health services planning and development activities organized by the Jordanian Ministry of Health, and also participated in the work of national committees on nutrition and food, which formulate policies and strategies on food security and micronutrients.

97. The Ministry of Health in Jordan contributed the contraceptive supplies and vaccines used in the UNRWA family planning and immunization programmes in Jordan. In addition, children enrolled in UNRWA schools benefited from the Jordanian Ministry of Health's distribution of vitamin supplements. In the Syrian Arab Republic, the Ministry of Health continued to meet UNRWA requirements of vaccines not programmed by UNICEF, such as hepatitis B and *haemophilus influenzae* type b vaccines. UNRWA cooperated with the General Authority for Palestine Arab Refugees, UNICEF and the Palestinian Red Crescent Society in a programme for screening and counselling of populations at risk from hereditary anaemia. The Ministry of Health of the Palestinian Authority provided all vaccines included in the expanded programme of immunization in the Gaza Strip and West Bank. The Agency also participated in the activities of the Palestinian Authority Ministry of Health in screening for congenital malformations among newborn infants. In all fields, the ministries of health provided the UNRWA requirements for anti-tuberculosis drugs as well as advanced laboratory facilities for surveillance of vaccine-preventable diseases and HIV/AIDS. UNRWA also participated in all

national immunization days and catch-up campaigns organized by the host authorities.

Cooperation with WHO and other United Nations agencies

98. Since 1950, WHO has provided technical supervision of the Agency's health-care programme. The sustained support of EMRO has included the assigning to UNRWA headquarters, on non-reimbursable loan, of WHO staff members, the Agency's Director and Deputy Director of Health, and the provision of salaries and related expenses of three division chiefs at UNRWA headquarters.

99. At the request of UNRWA, an expert team from WHO headquarters and EMRO undertook a technical assessment of the Agency's health programme in the five fields of operation. Conducted from February to March 2005, the assessment covered all aspects of health delivery systems, maternal and child health, communicable and non-communicable disease control, nutrition, mental health, environmental health, information systems, partnerships and health systems financing. The team concluded that the UNRWA health-care programme was cost-effective and had achieved notable outcomes with half the per capita allocations recommended as necessary by WHO for the provision of basic health services. The study also had significant recommendations for improvements in nutrition, non-communicable disease care, mental health, staff training, research, disability, cancer prevention and psychosocial support. The Agency communicated these findings to stakeholders in March 2005 and during the informal meeting of host authorities and major donors in May 2005 and prepared a results-based plan of action to implement the recommendations, should additional resources become available.

100. UNRWA also participated in the thematic working group meetings on mental health, nutrition, reproductive health and food security systems organized by the WHO office in Jerusalem. The Agency maintained close collaborative links with other United Nations organizations, particularly UNICEF, with which UNRWA cooperated on the Integrated Management of Childhood Illnesses Plan. UNICEF also continued to provide UNRWA with all required vaccines and cold-chain supplies for the six major vaccine-preventable diseases in Lebanon and the Syrian Arab Republic. In addition, cooperation was maintained with UNICEF country offices in Jordan and the Syrian Arab Republic for coordination of health promotional activities, staff development and provision of medical equipment and supplies. During the reporting period, UNICEF provided the necessary supplies for conducting a mass MMR immunization campaign in the occupied Palestinian territory. UNRWA also maintained a system for exchange of information on compatible areas of work with UNAIDS.

Impact of the emergency situation in the occupied Palestinian territory on the health programme

101. Wide-scale unemployment and obstacles to humanitarian access have increased poverty rates and caused the deterioration of the health and nutritional conditions of the population in general, and of refugees in particular. A food security assessment in the West Bank and the Gaza Strip conducted by FAO in cooperation with WFP and UNRWA in 2004 concluded that food affordability is limited owing to restrictions on movement. Some 1.4 million people (approximately 40 per cent of the population of the West Bank and Gaza Strip) were found to be

food insecure and a further 1.1 million (30 per cent) were deemed under threat of becoming food insecure should current conditions persist. In addition, the declining trend in fertility rates in the Gaza Strip has been reversed in the current crisis.

102. In certain localities in the West Bank, particularly in the Jerusalem and Hebron areas, primary series immunization coverage of infants under 12 months of age fell below the previously sustained levels of more than 95 per cent. Although not dramatic, the sudden decline in immunization coverage for a programme that had maintained close to full coverage over several years is a cause for concern. Even more serious is the risk of cross-border outbreaks within the Agency's area of operations, especially measles and possibly poliomyelitis. Evidence of this risk is the outbreak of mumps in 2003 that spread from the northern West Bank to all West Bank districts. The outbreak had not subsided by the end of the reporting period.

103. The Agency's health services in the occupied Palestinian territory continued to be hampered by closures and curfews, preventing health staff from reaching their places of work. In total, the Agency lost 2,528 health staff days in the Gaza Strip during the reporting period. Closures also made programme supervision and staff training much more difficult, and service quality has begun to decline, particularly in the West Bank.

104. According to the Office for the Coordination of Humanitarian Affairs, 274,000 Palestinians living in 122 communities will soon be isolated between the barrier and the 1949 armistice line, or in fenced-in enclaves. In addition to constraints on Agency facilities and services located in those areas, the barrier is increasing access problems for refugees entering and leaving the enclaves and for UNRWA mobile clinics and distribution teams that are unable, without special entry permits that the Agency has refused to apply for, to pass through the relevant barrier gates to conduct the Agency's regular and emergency programmes.

105. UNRWA operated five emergency medical teams in the West Bank to improve access to health services of the refugee population in remote and closed areas. Plans to establish two additional mobile teams in 2005 could not be implemented owing to underfunding of the emergency appeal. The Agency also maintained a programme of psychosocial counselling and support for targeting at-risk groups in the Gaza Strip and West Bank, which was integrated into the regular programme budget effective 2005.

106. Prior to the current crisis, the UNRWA hospital in Qalqilia in the West Bank had an occupancy rate of 67.5 per cent. As a result of restrictions on movement, including curfews and closures and more recently the construction of the barrier around the city, this rate has fallen to 44.7 per cent. The completion of the construction of the barrier around Jerusalem will result in similar problems, for patients requiring emergency care, in access to non-governmental hospitals in East Jerusalem, including those contracted by UNRWA to provide services. Overall, it is estimated that 30 per cent of the West Bank population will face problems in access to jobs, land and services.

107. The Agency responded to these challenges by securing additional medical supplies and equipment and, to the degree possible, allocating resources to meet the increased demand on hospital services, and by recruiting additional staff to offset the heavy workloads caused by increased demand on UNRWA services.

Challenges, constraints and unmet goals

108. The UNRWA health programme has played a major role in the prevention of communicable diseases by immunization and in the eradication of diseases that are still at the top of the global health agenda, such as malaria, poliomyelitis and neonatal tetanus. It has also contributed to the elimination of protein-energy malnutrition among children and to a reduction of fertility rates through wide use of modern contraceptive methods. In addition, the programme has contributed to environmental health in refugee camps by upgrading water, sewage and solid waste management infrastructures and integrating them with municipal and regional systems.

109. Despite these achievements, the health programme is confronted with major constraints and challenges that affect its ability to respond adequately to changing needs and priorities, including the burden of the increases in chronic non-communicable diseases, such as cardiovascular diseases, diabetes mellitus and cancers, which come on top of resurging and newly emerging communicable diseases. Poor environmental health conditions in refugee camps, especially in the Gaza Strip, West Bank and Lebanon, rising expectations of both the host authorities and the refugee community, and increased costs of secondary and tertiary care all pose additional challenges.

110. The limited growth in financial and human resource allocations to the programme over the last decade have widened the disparity between UNRWA standards and those of the host authorities, severely stretched the capacity of the health programme system, and prevented the Agency from upgrading and expanding primary health-care facilities and adequately addressing psychosocial health, micronutrient deficiencies, disabilities and cancer prevention and control.

111. The ongoing crisis in the occupied Palestinian territory has generated additional needs and placed additional demands on the health-care system, which had to sustain regular programme activities while simultaneously striving to prevent breakdowns in service delivery and quality in spite of underfunding. The Agency's medium-term plan for 2005-2009 addresses these challenges and unmet priority health needs in the context of a deteriorating operational environment.

C. Relief and social services

112. The mission of the relief and social services programme is to provide the most disadvantaged Palestine refugees with humanitarian assistance and to promote the self-reliance of less advantaged members of the refugee community, especially women, children, young people and persons with disabilities. In addition, the programme is the custodian of the historical and current refugee records, which are maintained to determine eligibility for Agency services. Implementation of the mission during the reporting period was guided by the Agency's medium-term plan, recommendations from the Geneva conference of June 2004 and the relief and social services five-year development plan (2005-2009), which sets forth the medium-term goals and strategies for the programme based on objectives consistent with the Millennium Development Goals.

Budgetary and human resources

113. The regular budget for the relief and social services programme for 2004 was $34.3 million, representing 9.8 per cent of the overall Agency budget. The largest share of the budget, 79 per cent, was allocated to assisting special hardship families. These services were delivered by 229 social workers, who represent the largest segment of the Department's staff of 785. In view of the continued growth of the microcredit community support programme, a programme manager post was established at UNRWA headquarters in Amman to ensure ongoing technical support to field staff. Extrabudgetary funding for projects (excluding the emergency appeal budget items for the West Bank and Gaza Strip) totalled $1,683,809.

Refugee registration

114. At the end of June 2005, 4,283,892 Palestine refugees were registered with UNRWA, an increase of 2.3 per cent since July 2004 (see annex I, table 1). Approximately 41.9 per cent or 1,795,326 were registered in Jordan; 22.6 per cent or 969,588 in the Gaza Strip; 16.1 per cent or 690,988 in the West Bank; 10 per cent or 426,919 in the Syrian Arab Republic; and 9.4 per cent or 401,071 in Lebanon. In order to improve accessibility of eligibility and registration services, a number of registration staff were relocated from Agency field and area offices to camps during the reporting period. Approximately 70.5 per cent of the registered refugee population resides outside the 58 refugee camps.

115. Some 469,761 requests for registration modifications and 796 family applications for new registrations were processed. The manual integration of the original 1948 records with other documents related to descendants was completed in Lebanon, the Syrian Arab Republic and the Gaza Strip, and the process was 98 per cent complete in the West Bank at the end of the reporting period. In Jordan, this integration process will be accomplished electronically as part of the Palestine Refugee Records Project.

116. The Department of Relief and Social Services continuously updates refugee registration card information (primarily registration of births, marriages and deaths), including for the special hardship programme, and issues some 25,000 new cards per month. The registration system is currently being redesigned through the Palestine Refugee Records Project to create an Intranet registration system that will allow centralized updating of refugee information from registration offices Agency-wide. This development will enhance the accuracy of data and improve service delivery. The tendering process for development of the software by an outside vendor is expected to be completed by October 2005. A digital scanning and preservation operation, the second major component of the project, began in Jordan in August 2004 and in Lebanon in May 2005 and will follow in the other fields. The scanned images of an estimated 16 million historical refugee documents will at a later stage be integrated into the registration database to provide better validation of information.

117. The Agency has brought to the attention of stakeholders the dire humanitarian situation of needy refugee women married to non-registered men and their children, who currently do not have access to most UNRWA services. The children of such refugee women cannot register with the Agency under current registration guidelines. With a view to addressing their essential needs and bringing about

gender-neutral registration guidelines in tune with United Nations system norms, the Agency continued to explore options and to engage stakeholders in this matter.

Special hardship programme

118. During the reporting period, 5.8 per cent of the registered refugee population were classified as special hardship cases, the majority of which fall into three categories: the elderly; female-headed households; and those unable to work because of chronic illness or disability. Special hardship case status can also be granted to families headed by, or including, a male adult who is following a full-time course of study or carrying out mandatory military service. In addition to regular UNRWA services, special hardship cases are eligible for basic food support, shelter rehabilitation, cash assistance (one time per calendar year), and preferential access to other UNRWA services, such as admission to vocational training centres. A total of 433 special hardship cases, 143 of them women, qualified for such preferential access during the reporting period.

119. While historically the food ration ceiling for special hardship cases has risen 3.5 per cent each year to meet population growth, this increase dropped to 2.5 per cent during 2004 and was frozen during 2005. The total number of persons in the special hardship programme increased by 1.2 per cent over the previous reporting period, while the number of ration recipients increased by 1 per cent (see annex I, table 8). At the end of the reporting period, the percentage of refugees enrolled in the programme as a proportion of the field's total refugee population continues to be highest in Lebanon, at 11.5 per cent, while it is 8.7 per cent in the Gaza Strip, 6 per cent in the West Bank, 7.3 per cent in the Syrian Arab Republic and 2.6 per cent in Jordan.

120. While only 13.8 per cent of overall households in the refugee population were headed by women, female-headed households accounted for 46 per cent of the special hardship families, clearly illustrating the "feminization" of poverty in the refugee population. Special hardship assistance was also provided to 386 families headed by widowed, divorced and abandoned women married to non-registered men. Children under 1 year of age, the imprisoned, or those missing, travelling abroad or in mandatory military service do not receive rations. As a result of home visit monitoring by social workers, 6,029 special hardship cases were deemed to be no longer eligible for benefits.

121. Eligibility for the special hardship programme to date has been based on status. In recognition of the need to shift to a needs-based approach, a senior poverty adviser was contracted in October 2004 to design socio-economic profiles, construct poverty lines, improve data collection and analysis, and devise a mechanism by which to differentiate between the chronic and transient poor with a view to revising eligibility thresholds.

Food support

122. As at 30 June 2005, the special hardship programme was providing quarterly food or cash subsidy support to 62,503 families, affecting 249,810 persons (see annex I, table 8). This assistance, valued at $110 per individual per annum, included flour, sugar, rice, vegetable oil, whole milk and, in Lebanon only, red lentils. While flour has been a staple of UNRWA aid since 1950, and is valued by beneficiaries as a symbol of the international community's obligations to the Palestine refugees, its

inclusion in food aid has ceased to be an effective use of resources. Government subsidies and the fact that most beneficiaries no longer bake at home mean that the bulk is sold to local merchants at prices below market value. The Agency has therefore revised its food package and, starting in July 2005, mixed pulses will be substituted for flour in Jordan, the Syrian Arab Republic and Lebanon, and tuna will be added to the basket in January 2006. In an effort to mitigate possible negative reaction, UNRWA has discussed the rationale for the policy change with the refugee community and host authorities well in advance.

123. Food aid is delivered via a network of 60 fixed distribution centres and 123 mobile distribution points in more remote areas. This same network has provided the infrastructure for separate, large-scale emergency food aid distribution in the West Bank and Gaza Strip. In Jordan, ad hoc food support was provided during the reporting period through UNHCR to 83 Palestine refugee families (comprising 388 persons) who fled from Iraq in 2003 and were being held in refugee camps at the border.

Selective cash assistance

124. A total of $877,165 was distributed to 5,291 special hardship case families (8.5 per cent of those families) as selective or emergency cash assistance, and $27,912 to 91 non-special hardship case families during the reporting period. Cash assistance in Lebanon was 51 per cent higher than in other fields, owing to the high levels of poverty and the absence of emergency programmes such as those in the occupied Palestinian territory. Monitoring visits revealed that 93.8 per cent of the assisted families did indeed use this aid for its intended purposes, such as replacing household effects destroyed by flood or fire, making minor shelter renovations, purchasing emergency heating fuel, covering emergency short-term needs necessitated by the sudden loss of a head of family or wage earner, or enabling a child to attend school through the purchase of supplies or clothing.

Shelter rehabilitation

125. During the reporting period, an estimated 13,139 (21 per cent) special hardship case families lived in shelters that needed repair or total reconstruction. Through extrabudgetary funding, 138 shelters were rehabilitated during the reporting period, a drop from 178 in the previous reporting period owing to lack of funds; this represented only 1 per cent of urgently required rehabilitation needs. The shelter rehabilitation programme aims to ensure that needy families have at least one multi-purpose room, a kitchen and sanitary facilities that are well lit, ventilated and easily cleaned. Priority is given to families living in shelters that are structurally unsafe, in which unhygienic conditions have led to medical problems, or which raise serious social considerations, such as overcrowding. Approximately 89 per cent of shelter repair and reconstruction was done on the basis of an Agency-aided self-help approach utilizing family and community assets, which included volunteer labour, cash and discounted building supplies.

Social services

126. The social services programme continued to provide Palestine refugees with access to opportunities to address their socio-economic priority needs as identified through community surveys. The programme focuses on serving women, persons

with disabilities, children and youth, through various activities including credit provision. The Agency mentors a network of 104 community-based organizations, including women's programme centres and community-based rehabilitation centres managed by volunteers, 63 per cent of whom are women. In addition to providing community services, these organizations provide important employment opportunities: 1,395 trainers and 121 full-time supervisors are employed, and 390 jobs have been created through 149 income-generation projects established and managed by the centres. As a result of ongoing technical training and the application of management guidelines, the managerial capacity of community-based organization staff and volunteers has noticeably improved. In addition, improved cooperation and coordination with local non-governmental organizations has resulted in a broader reach into the communities despite major resource constraints. One of the major recent achievements of the reporting period has been the development of a community-based organization database system to enhance planning, implementation, monitoring and evaluation capabilities of all community centres. The system will facilitate the collection of disaggregated data (e.g., by gender, age, disability, special hardship status) concerning the use of community-based organization facilities. The system should be fully installed in all fields by mid-2006.

Women's programme

127. Sixty-five of the community-based organizations are women's programme centres, in which refugee women gain knowledge and skills that enhance their participation in the community. The mainstays of the training, as prioritized by surveys of community preferences conducted by the centres, are still rather traditional activities — sewing, knitting, embroidery, food processing and catering — but increasingly women express interest in training in such areas as computer skills, business and photography, which has led to an expansion in course offerings. Awareness-raising is another critical area of activity in the centres. Sessions focus on health, nutrition, hygiene, legal matters, gender, the environment and good parenting. These sessions have increased demand for further activities, which the centres have taken on, namely legal counselling, psychosocial counselling, physical fitness classes, and social and recreational activities. In addition, the 44 kindergartens and 28 nurseries in the centres provide a much-needed service for working mothers and those who wish to participate in women's programme centre activities. During the reporting period, a new centre was established in Jenin camp in the West Bank. In Jordan, an Internet café was established for women in the Baqa'a camp centre. In Lebanon, a comprehensive brochure outlining the main activities of the women's programme centres was issued to the community and all stakeholders.

Disability programme

128. Through a network of 39 community-based rehabilitation centres, the disability programme promotes a social approach to disability, provides rehabilitation services, and works to equalize opportunities for people with disabilities. Training and counselling of family and community members contributed significantly to the rehabilitation process and enhanced inclusion in the family and community at large. In order to ensure the involvement of persons with disabilities in decisions that affect them, the Relief and Social Services Department

adopted a policy under the slogan "Nothing about us without us", which stipulates that all activities, including programme development and implementation, must involve persons with disabilities.

129. During the reporting period, the community-based rehabilitation centres in the Agency's five fields provided services to 30,348 refugees with disabilities and their families. Home-based services were provided to 15,237 individuals and their families; 11,128 community members attended 304 awareness sessions; 24,728 individuals benefited from direct rehabilitation services; 5,016 individuals were referred to specialized agencies; 1,503 prosthetic devices were fitted; and 107 homes were modified to facilitate the mobility of persons with disabilities. Additionally, 794 children were mainstreamed into regular schools, and 5,622 children and young people with and without disabilities participated in summer and winter camps.

130. During the reporting period, a new community-based rehabilitation centre was established in Camp Number 1 in Nablus, and a prosthetics unit was established in Jenin, both in the West Bank. Two volunteers for the prosthetics unit were trained in Jordan for six months. In addition, a new physiotherapy centre was opened in the Deir El-Balah centre in the Gaza Strip and, of its six physiotherapists, two are sponsored by the Palestinian Authority Ministry of Health and three by the UNRWA emergency job creation programme. Five of the seven centres in the Gaza Strip are licensed by the Palestinian Authority Ministry of Education to teach special education for the hearing impaired, and 20 per cent of the 112 teaching staff involved are sponsored by the Palestinian Authority.

131. While the community-based rehabilitation centres are managed by local community members, the Al-Nour Rehabilitation Centre for the Visually Impaired in Gaza is directly managed by UNRWA. The Centre continued to offer its specialized services for 52 visually impaired students through kindergarten, preschool and elementary school classes, vocational training and outreach programmes. During the reporting period, the Centre offered various skills training for both males and females, of whom 12 thereafter found employment. A total of 18 visually impaired students were mainstreamed into regular schools. Meanwhile, 65 families of visually impaired children under 4 years of age received counselling and advice. The Centre also focused on early detection and intervention services through training activities for parents.

132. The disability programme held a regional workshop for all specialized staff to review the UNRWA policy on disability. Recommendations included the establishment of a mechanism to monitor the implementation of the policy Agency-wide. In this context, the programme took steps to explore avenues by which UNRWA and the community-based rehabilitation centres could further enhance the vocational training and employment of persons with disabilities. To this end, a regional workshop was organized in May 2005 in Amman in partnership with ILO, entitled "Enhancing Employment Opportunities for Persons with Disabilities". The workshop enhanced the Agency's ability to further incorporate access to employment opportunities within the community-based rehabilitation framework, and in Jordan a workshop was organized utilizing the ILO expertise to address the issues specific to that field.

Children and youth activities

133. Efforts continued to enhance the well-being of children and youth through various activities in the community-based organizations and the community at large, encouraging their participation in constructive activities. During the reporting period, 48 awareness-raising sessions relating to the Convention on the Rights of the Child, mainly the right to express views freely, the right to dignity for children with disabilities, protection from abuse and children's rights to access information and enjoy cultural and art activities, were conducted for 2,836 children, their parents and the community. Many of the awareness activities involved plays or puppet shows. Additionally, 25,241 underserved refugee children and young people took advantage of various training or tutoring and skills-building activities in computers, languages, leadership training, sports, theatre, music, and summer and winter camps. Among the most successful activities was the training of 100 children and young people on film production and digital storytelling in Jordan, resulting in the production of a documentary film on child labour. Some 305 children and young people in the West Bank and 2,400 in the Gaza Strip received psychological counselling and support to help them cope with the ramifications of continued violence. In the Gaza Strip, the Rafah women's programme centre developed a brochure on the rights of the child for public distribution. Also in Lebanon, the child-to-child methodology was used to involve children in planning, implementing and evaluating activities under the supervision of skilled animators. In Lebanon, a directory listing all the operating clubs and play centres located in camps was produced and distributed to all stakeholders.

Microcredit community support programme

134. The microcredit community support programme aims to promote the socio-economic status and self-reliance of the poorest segments of the Palestine refugee community, by targeting women, persons with disabilities and members of special hardship families and by building the capacity of community-based organizations to provide credit. It complements the Agency's larger market-oriented microfinance and microenterprise programme. The $199,532 in interest earned on 1,361 loans active during the reporting period was channelled into new loans.

135. About 44 per cent of the total 1,361 loans issued during the reporting period were managed directly by department staff and included 392 housing improvement loans ($531,429), 164 small-scale enterprise loans ($599,411) and 43 subsidized soft loans to special hardship families ($185,936). The latter allowed 21 special hardship families to be removed from the ration rolls. A marked achievement for this reporting period was the introduction of housing improvement loans to refugees in northern Lebanon and Damascus in the Syrian Arab Republic, benefiting 371 individuals and their families. The remaining 56 per cent of loans ($601,395) were managed by community-based organizations. These loans are primarily organized under a group guaranteed lending scheme, but also included individual "subsidized" loans. During the reporting period, 799 loans were issued totalling $342,405 and benefiting a total of 155 group members and their families. Community-based organizations also extended 607 individual loans, amounting to $258,990. While the community-based organization loan programme was initiated by the women's programme centres, the programme has expanded and, during the past year, three community-based rehabilitation centres issued credit to persons with disabilities in Jordan.

136. The microcredit community support programme also targeted special hardship cases through the apprenticeship programme, which provides support for skills training and seeks job placements for trainees. During the reporting period, 95 special hardship individuals were trained in the West Bank, resulting in 31 job placements. In Lebanon, the success of the pilot apprenticeship programme launched in two community-based organizations in 2004 led in the reporting period to the expansion of the programme to other areas of that field, resulting in the employment of 33 individuals.

Internal capacity-building

137. One of the key objectives for the reporting period was to refine the Agency's practice of social work through staff training with a view to more effectively helping vulnerable refugees to develop and build on their existing assets. To that end, a partnership was established in the summer of 2004 with the School of Social Work at the Southern Illinois University, Carbondale, Illinois, United States of America to develop a training programme for Agency social workers. The University conducted an assessment of social workers' skills, which included accompanying them on home visits in all five fields, and then designed a series of eight courses, approved as a Certified Education Programme. It is being implemented in Arabic for 353 staff in the five fields over a two-year period and, to date, 138 social workers and other staff have completed the first two courses. In other areas of staff capacity-building, 638 staff participated in 113 training sessions covering a variety of disciplines, including information technology, management, microfinance, administration, gender and disability. In addition, 1,801 volunteers benefited from a number of training courses related to community development, including leadership, planning, management, participatory rapid appraisal and community-based rehabilitation.

Gender mainstreaming

138. The Department's gender task force held its first meeting and developed an action plan on gender mainstreaming. The main activities outlined in the plan include gender awareness training for department staff and volunteers; capacity-building of field-based trainers; strengthening interdepartmental networking; and enhancing coordination with local and national organizations. During the reporting period, field-based trainers conducted gender awareness workshops for 299 staff and community-based organization volunteers in the five fields. In addition, the department gender focal point conducted a gender analysis workshop for social workers at Ein El-Tal outside Aleppo in the Syrian Arab Republic.

Cooperation with host authorities and non-governmental organizations

139. Cooperation with host authorities, which is extensive, was strengthened during the reporting period. In Lebanon and the Syrian Arab Republic, the maintenance of up-to-date and correct registration records to facilitate the issuance of travel documents for Palestine refugees was ensured. In Jordan, awareness-raising activities on reproductive health were conducted in coordination with the Jordanian Ministry of Social Development in all 14 women's programme centres. In the Gaza Strip and the West Bank, an effective level of cooperation and coordination was maintained with the Palestinian Authority Ministries of Social Affairs, Education, Health and Planning.

140. Partnerships with local and international non-governmental bodies, including relevant United Nations agencies, are an important facet of the relief and social services programme and were expanded in the reporting period, notably resulting in $1,282,777 worth of additional resources for community-based organizations, which strengthened their financial sustainability. In addition, technical and joint activities were conducted in cooperation with local and international NGOs. For example, in Jordan, the Better Parenting Project, designed to provide parents with the knowledge and skills necessary to ensure the mental and physical well-being of their children, was continued with UNICEF, and donor support allowed an expansion to the legal advice bureaux of the women's programme centres. In the Syrian Arab Republic, a disability survey was conducted in partnership with UNICEF and the General Authority for Palestine Arab Refugees, and cooperation with a local NGO led to the establishment of a community outreach programme (portage) for refugees with disabilities. The programme includes training of 54 staff and volunteers, provision of educational material and exchange visits.

141. One of the Department's objectives for the coming year is to enhance partnerships through the development of a digital social services map for use by social workers and community-based organization volunteers. This is part of a more systematic approach to the identification of non-UNRWA resources and services that can be tapped in the refugee communities for poverty alleviation or reduction purposes, skills training, specialized services or building new partnerships.

Challenges, constraints and unmet goals

142. Insufficient funding for the special hardship food support programme in 2005 forced the Agency to reduce food aid in the Syrian Arab Republic, Lebanon and Jordan, and necessitated a freeze on the number of persons who could be admitted to the special hardship programme. Donor funding for selective cash assistance for special hardship cases fell far short of needs, particularly in the West Bank and Gaza Strip. This, together with the absence of regular or sufficient extrabudgetary support for core relief and social services subprogrammes, such as shelter rehabilitation, restricted the Agency's efforts to assist the poorest refugees. The Agency's increasing limitation on support for the vulnerable is of particular concern in Lebanon and in the occupied Palestinian territory, where the increasing rates of poverty have negatively affected most facets of the social services programme. Community-based organizations, for example, are no longer able to generate adequate income from fees to subsidize their running costs.

143. An insufficient number of social service staff made it difficult to gather data needed to better design or implement programmes, and excessive workloads on existing staff — the average caseload per social worker is 250 families — hampered effectiveness. There were no resources available to conduct a survey of refugee needs, particularly those of women, persons with disabilities, children and youth. Because of budgetary considerations, many of the technical regional training activities related to development concepts and practices were limited, and desired informal on-the-job training, which was to be achieved through field exchange visits, could not take place.

144. The Agency is falling short in its ability to address the increasing needs of the most vulnerable refugees, in terms of the large numbers of persons under the poverty line who are not receiving aid and in terms of the level of benefits. UNRWA

benefits for its special hardship population now fall short of those offered by the Palestinian Authority and the Government of Jordan to their low-income families. Closing the gap will require improved access to special hardship clientele, appropriate levels and quality of staffing and a more favourable political and economic climate, particularly in the occupied Palestinian territory and Lebanon.

D. Microfinance and microenterprise programme

Introduction

145. While the Palestinian community in the occupied Palestinian territory is economically constrained by a prolonged humanitarian crisis, the International Year of Microcredit has provided UNRWA with the opportunity to demonstrate the effectiveness of microfinance in the face of continuing unemployment, poverty and hardship. Together with its emergency assistance activities, the UNRWA microfinance and microenterprise programme has added its financial resources to support the coping and economic survival strategies of the poorest by providing microenterprise and consumer credit to the thousands of men, women and youth who have been forced to enter the informal sector to try to meet their basic needs. The programme continues to play a leading role in the microfinance sector. Of the $180 million that were invested in the Palestinian economy by microfinance institutions over the past decade, half has been provided by the programme. During the decade, the programme provided the equivalent of 1.4 loans for each private enterprise in the occupied Palestinian territory. In 2004, the programme provided 57 per cent of the 26,000 loans that were disbursed by the microfinance industry to Palestinian enterprises. With its market share, the programme is now the primary financial services mainstay for a large segment of the poorest microenterprises, particularly businesses run by women and young microentrepreneurs.

Objectives

146. The microfinance and microenterprise programme continued to further its objective of building sustainable, inclusive microfinance to support small businesses, microenterprises and poorer consumers, thereby helping to develop enterprise, create jobs, economically empower women and young people, alleviate poverty and build household assets in Jordan, the Syrian Arab Republic and the West Bank and Gaza Strip. Once again, the programme raised its disbursements over the previous period and increased its lending outreach by a further 26 per cent.

147. While it is still a modest actor in the microfinance sector of Jordan and the Syrian Arab Republic, the UNRWA microfinance and microenterprise programme is now the largest source of credit to microenterprises in the occupied Palestinian territory, where it held 56 per cent of all loans outstanding among microfinance institutions at the end of 2004. These loans accounted for 17 per cent of the potential market of 43,000 microenterprise clients that the World Bank determined could benefit from financial intermediation.

148. The programme provided 19,766 loans valued at $17.72 million to businesses in the occupied Palestinian territory, Jordan and the Syrian Arab Republic. Women microentrepreneurs received 25 per cent of the loans, while microentrepreneurs under 28 years of age received 24 per cent. Since it was established in 1991, the programme has disbursed 95,402 loans valued at $98.61 million.

Programme reform and development

149. The Agency commenced a significant new initiative when it entered into an administrative agreement with the OPEC Fund for International Development to create a trust fund to support Palestinian enterprises in the occupied Palestinian territory, called the PalFund. This is the first time that UNRWA has worked with such a financing instrument, which allowed the programme to expand its capital base. With an initial pledge of $2.5 million for the trust fund, the OPEC Fund for International Development provided $1.5 million during the reporting period, which was disbursed on 1,453 microenterprise loans.

150. The organizational restructuring of the programme was completed at the field office and branch office level by the streamlining of old staff positions and the recruitment of new incumbents. The finalization of the restructuring has been constrained in the programme's new central office by the economic situation, which is thwarting the generation of sufficient revenues to cover all the extra staff posts required. As a result, the new central office posts have been reduced to a minimum until the financial performance of the programme improves.

151. Furthermore, the work on the documentation for a new loan management information system was finalized and put out to tender. This new system will result in quicker decision-making, decentralized controls, faster information flows and better reporting standards. The system will produce integrated real-time reports for staff working at the managerial, financial and operational levels whenever they require them. It will be the final element in the new business model which the programme has introduced and will completely modernize the way the programme conducts its business.

152. There were two significant programme developments during the reporting period. First, a new housing microfinance loan product was introduced in the Gaza Strip. This new loan product will assist Palestine refugees living inside and outside refugee camps to improve their existing shelter conditions and will increase the supply of refugee housing stock. The new product and credit methodology are being piloted in the Gaza Strip. If it proves to be successful there, it will then be extended to the West Bank and later to Jordan and the Syrian Arab Republic. Second, the programme continued to develop its branch office network by budgeting and raising the staff posts for a second branch office to be opened in Jordan later in 2005. As soon as funding can be secured, the programme will open another two branch offices in Qalqilia in the West Bank and a second branch office in Damascus.

Impact of restrictive measures

153. Throughout the ongoing intifada, the microfinance and microenterprise programme has been able to reduce the impact of the regime of closure, curfew and access restrictions imposed by the Israeli authorities on the credit operations of its branch offices by redeploying branch office staff to work in the branches that are closest to where they live. To ensure that its credit operations are not disrupted by the closure regime, the programme has been compelled to recruit all new branch office staff locally to reduce absenteeism caused by staff not being able to arrive at work because of checkpoints and road blocks.

154. However, this solution is not possible at the field office level in either Jerusalem or the Gaza Strip as staff travel from all over the Gaza Strip to work in

the main office in Gaza City and the majority of the programme's staff in Jerusalem live in the West Bank. Senior staff working in Jerusalem and living in the West Bank are hampered by restrictions that prevent them from driving between the two areas to carry out their work, as the Israeli authorities refuse to recognize their right to drive in Jerusalem, including east Jerusalem. Access, therefore, remains a major problem for staff, especially in the West Bank where the completion of the barrier and the opening of a series of "border gates" may disrupt operations even further.

155. In the Gaza Strip, the programme awaits the results of the Israeli disengagement, which from an economic point of view could be either positive or negative. An opening-up of the trade regime could have significant long-term benefits for the economy as the business community reactivates idle capacity and starts to develop new market opportunities. However, a unilateral abrogation by Israel of the Joint Customs Union with the Palestinian Authority agreed under the Paris Protocol of April 1994 would tip the distressed economy of the Gaza Strip into deeper poverty and further restrict business activity.

156. The general strike of UNRWA area staff in October and November 2004 seriously disrupted the operations of the programme in the West Bank. This hampered the outreach of the programme for six weeks, during which all branch offices were closed because striking employees prevented other staff from entering their offices. This led to falling repayment rates as clients were unable to enter the branch offices to make payments on loans, rising portfolio "at risk" and increasing costs to the programme. The strike action essentially negated the gains the programme in the West Bank had attained in the previous period and was the main obstacle to significant cost recovery during the reporting period. Another obstacle during the period was the absence of law enforcement in many areas of the West Bank, which meant that court decisions on breach of contract could not be enforced.

Overall trend

157. The programme experienced significant growth during the reporting period, driven by a return to full capacity in the Gaza Strip at the beginning of 2005. However, growth in the West Bank was stymied, as mentioned above. Notwithstanding the challenges, the programme again surpassed its pre-intifada highpoint for a second year when it disbursed 19,766 loans during the reporting period. The bulk of lending was in the Gaza Strip, where the programme disbursed 11,494 loans, compared to 10,205 loans in the previous period. In the West Bank, the programme disbursed 4,744 loans, compared to 3,120 loans disbursed in the previous period. The lending activities in Jordan and the Syrian Arab Republic produced an additional 3,528 loans. If these trends continue, the microfinance and microenterprise programme may be able to achieve operational sustainability and full cost recovery by the end of 2005.

Microenterprise credit product

158. Short-term working capital loans to microenterprise initiatives remain the core service of the programme. The microenterprise credit product was developed nearly a decade ago and is now retailed in each branch office in the occupied Palestinian territory, Jordan and the Syrian Arab Republic. An increasing number of the loans are being directed to poor people working in informal enterprises. The product keeps growing, as the formal economy in the West Bank and the Gaza Strip has

contracted and informal enterprises have grown. These microenterprise loans begin as low as $600, with a few more established entrepreneurs taking loans of up to $12,000. A number of older clients have now received as many as 18 loans from the programme over the past decade. Despite the bleak economic situation facing Palestinian businesses, the repayment rates for this product have remained high, ranging from 92 per cent to 99 per cent per annum in each field, with the exception of the West Bank, which fell to 80 per cent because of the staff strike. Some 13,593 microenterprise credit loans valued at $13.59 million were disbursed in the occupied Palestinian territory, Jordan and the Syrian Arab Republic. The programme has now issued some 57,731 microenterprise loans worth $56.99 million.

Solidarity group-lending product

159. The women-only solidarity group-lending product remains restricted to the Gaza Strip, owing to the lack of market opportunities to develop it in urban centres outside the Gaza Strip. The product was developed in the Gaza Strip more than a decade ago and has been an excellent tool that has economically empowered poor women who had limited income-generating opportunities. The majority of women microentrepreneurs supported by this product work in the informal sector, where they are often able to produce only tiny incomes. The product provides working capital loans to women, who can increase the size of their loans after each successful repayment cycle, enabling them to strengthen their markets and develop their businesses. Loans are provided to women organized in groups, who guarantee each other's loans. The repayment rate for this product remained fairly constant, at 91 per cent in 2004. Some 4,593 loans valued at $2.84 million were disbursed, while at a total of 33,571 solidarity group loans worth $22.28 million have been disbursed since the product was established in 1994.

Small-scale enterprise product

160. The market for capital investment loans for industrial and service enterprises has been severely constrained since 2000, as many businesses have closed or significantly reduced their capacity because of the tightening of the economy. The programme decided to maintain an embargo on retailing such loans in the West Bank and kept its outreach low in the Gaza Strip. The financial risk associated with retailing this high-risk long-term loan product in the prevailing economy of the occupied Palestinian territory was too great to merit expansion. However, the programme is now gearing up to reintroduce and retail the product through the Ramallah branch office in the West Bank and further extend such loans in the Gaza Strip in the next period. Progress and economic revival in the period ahead will necessarily determine the scale and speed of this roll-out. Fifty small-scale enterprise loans valued at $460,000 were disbursed. Since the product was introduced in 1991, a total of 1,257 loans worth $18.03 million have been extended, 7 per cent of which were to women business owners.

Consumer-lending product

161. While the market for consumer lending is constrained by high unemployment, the microfinance and microenterprise programme increased the outreach of its consumer-lending product to working class and low-paid salaried workers through its Rimal branch office in Gaza City. The product will be further extended to the other branch offices in the Gaza Strip at the beginning of the next reporting period,

when it will also be introduced in the West Bank. This short-term loan product is aimed at providing consumer loans for working-class families that are unable to obtain personal loans from banks. Such loans help poorer families amass household assets, cope with health-care emergencies and bridge income shortages for education and other services. The programme disbursed 1,530 consumer loans valued at $840,000. The repayment rate for 2004 was 92 per cent. Since 2002, the programme has disbursed 2,843 consumer loans worth $1.48 million to working-class families.

Housing loan product

162. The programme began to pilot a new housing microfinance product in the Gaza Strip at the end of the reporting period. The credit methodology, procedures manual, database and loan agreements have all been designed and approved. Marketing of the new product has begun; prospective clients have submitted loan applications and the first loans will be extended in July 2005. Unlike the programme's business loans, this product is aimed solely at Palestine refugees, whom it will assist in developing, improving and constructing homes inside and outside refugee camps. Initially, the product will be tested in the Gaza Strip and then extended to the West Bank and thereafter to Jordan and the Syrian Arab Republic.

Small and microenterprise training programme

163. In addition to its microfinance services, the microfinance and microenterprise programme continued to provide a number of business training and entrepreneurship courses through its small and microenterprise training programme. Unfortunately, the programme did not receive any donor funds to cover its small administrative overhead during the reporting period. Despite this, it continued to meet the cost of running each training course from the participation fees charged to students. The programme delivered 56 business training courses to 1,210 participants. Since the programme was established in 1994, it has run 392 training courses for 8,483 students.

Gaza field

164. Despite growing developments elsewhere, the mass of the programme's activity, institutional capacity and credit products remain in the Gaza Strip, where half of its more than 200 staff are located in the Agency's field office and in three branch offices. Apart from a period of a few months when internal closures were widespread, the programme in the Gaza Strip has coped much better than the programme in the West Bank, which has suffered much more from internal closure and general lawlessness. During this period, the active loan portfolio surpassed the volume it had achieved at the outbreak of the intifada, growing to 7,838 loans at the end of June 2005 compared to 6,506 loans in September 2000, but the value of the outstanding portfolio has still not matched the $6.56 million it had reached at the earlier date. Although the programme has grown, it reached only $4.56 million at the end of this period. A total of 11,494 loans valued at $9.38 million were disbursed in the Gaza Strip and, since 1991, a total of 71,082 business and consumer loans worth $73.16 million have been disbursed in the Gaza Strip.

West Bank field

165. The new Ramallah branch office that was opened at the end of the last reporting period is expected to make a significant contribution to the growth of the programme. The West Bank operation disbursed 4,744 microenterprise loans worth $5.09 million. Since 1991, the programme has disbursed 18,092 microenterprise and small-scale enterprise loans valued at $20.62 million, 6 per cent of which have been to women clients. While the West Bank economy is facing greater risks than the Gaza Strip, the programme was able to improve its comparatively low on-time repayment rate from 70 per cent at the end of the last reporting period to 77 per cent in this period.

Jordan field

166. The performance of the microfinance and microenterprise programme in Jordan improved significantly, as staff and management of the branch office became more proficient with the programme's credit methodology. The programme's branch office in Wihdat camp continues to maintain operational sustainability, and the office met all of its operational costs from its portfolio. After conducting a number of market assessments, it was decided to open the new branch office in the downtown area of Amman, close to Hussein camp. The budgets for the new office have been completed, new premises have been identified, staff are now under recruitment and the new office will begin its credit operation by September 2005. The Wihdat branch office disbursed 1,919 microenterprise loans valued at $2.16 million. Since it started its lending operations in March 2003, the programme has disbursed 3,313 microenterprise loans worth $3.44 million. The quality of the programme's portfolio is excellent, with an annual repayment rate of 97 per cent at the end of 2004 but, if it is to achieve its potential and meet the ambitious objectives it has set out in its medium-term plan for 2005-2009, it will have to secure a capital fund of $4 million for Jordan.

Syrian Arab Republic field

167. The growth in outreach of the programme's first branch office in Damascus improved considerably in the latter part of the reporting period. The Yarmouk branch office disbursed 1,609 microenterprise loans valued at $890,000. Since it started its lending operations in June 2003, the programme has disbursed 2,915 microenterprise loans worth $1.39 million. The Syrian field also achieved an annual repayment rate of 97 per cent at the end of 2004.

E. Stakeholder relations

168. During the reporting period, Agency management devoted considerable attention to examining ways in which the main recommendations made at the Geneva conference in June 2004 could be implemented as expeditiously as possible. Meetings were held with donor and host authority representatives to consider jointly the way forward and report on both progress and identified obstacles to early implementation. In practice, work proceeded along two parallel tracks: a substantive track, covering programme-related issues, and a governance track, dealing with ways to reinvigorate existing structures and strengthen stakeholder relations in general, through improved consultation and information dissemination.

169. Late in September 2004, a working group on stakeholder relations was established and charged with undertaking a comprehensive review of the functioning of statutory bodies established by the General Assembly and of informal mechanisms for consultation established by the Commissioner-General. The working group has held several meetings, attended by some 50 participants representing UNRWA, host authorities and donors. The principal focus was on the functioning and composition of the Advisory Commission and the informal meeting of major donors and host authorities, and the linkage between the two bodies. Discussion ranged widely over ways to improve current arrangements for consultation on budget and programme issues. It was agreed that the biannual meeting of major donors should be made more substantive and that participation should be broadened, inter alia to include relevant United Nations and other international agencies and non-governmental organizations. Consensus was reached on the need to reinvigorate the Advisory Commission. A draft resolution will be submitted to the General Assembly late in 2005, which, if adopted, will expand the membership of the Commission to permit more effective involvement of the Agency's main stakeholders.

170. On the substantive track, the Agency worked closely over a period of six months with the Institut universitaire d'etudes du développement of the University of Geneva and the Catholic University of Louvain, in Belgium, to develop the methodology for comprehensive surveys of refugee conditions and needs in all five fields, which are to be carried out during 2005. The outcomes of the surveys will be taken into account in the Agency's evolving medium-term plan and will be followed, in a second phase, by the development of knowledge-management systems at the Agency. The Agency also moved quickly to implement other conference recommendations, for example by seeking ways to enhance the protection of children, and extending its psychosocial health programme.

F. Fund-raising activities

171. During the reporting period, UNRWA expanded its non-traditional fund-raising activities, focusing in particular on two promising areas: Arab donors, particularly those located in the Gulf Cooperation Council countries, and the establishment of independent country support groups.

172. In June 2004, UNRWA established a fund-raising office in Abu Dhabi on an experimental basis, with a view to tapping the considerable potential support from private individuals, State-backed institutions and Governments, particularly for the emergency appeal in the occupied Palestinian territory. The office did not produce results, and in January 2005 the Agency decided to move work on Arab donors back to its Amman headquarters. The growth in Arab contributions to the Agency (6.25 per cent of total income as at April 2005) attests to the potential, but the discrepancy between large project and emergency support, on the one hand, and minimal core support for the regular budget, on the other, remains large.

173. UNRWA also worked to broaden its donor base elsewhere in the world, reaching out to private individuals, companies and NGOs. Work was carried out on establishing a master database on private donations, which have grown exponentially over the past four years. The Agency also entered into discussion with Microsoft about cooperating in a number of projects. Research was undertaken to

establish a list of partner NGOs from whose expertise and know-how the Agency could benefit. There was also an increased interest on the part of NGOs wishing to fund projects through UNRWA or act as implementing partners, in particular in the Lebanon field.

174. During the reporting period, two country support groups, one in the United States and one in Spain, were formally incorporated. They will raise funds for the Agency and inform the public about UNRWA activities and programmes. The association in the United States will focus on raising funds from private individuals, corporations and foundations, while the Spanish association will initially focus more on regional government cooperation and seeking development funds. Both associations have their own legal personalities and boards of directors, and are headed by distinguished national figures. While expectations regarding the volume of funds to be raised in the first phase are modest, it is expected that both will become self-sufficient in the near future. If successful, UNRWA will extend this strategy to other countries.

G. Emergency appeals

175. *Implementation*. The Agency continued its emergency assistance in the occupied Palestinian territory, focusing on food aid, emergency employment creation, shelter repair and rebuilding, cash assistance, psychosocial support, and supplementary health and education activities, during the first six months of the reporting period. During the planning for 2005, however, it was decided to transfer a number of activities to the regular budget, in recognition of the long-term nature of the problems addressed, and because of underfunding of previous appeals. The emergency provision of medical supplies, assistance with hospitalization costs, physiotherapy and environmental health programming now falls under the health programme, the emergency psychosocial support under both education and health programmes, and emergency compensatory education, distance learning activities, extra-curricular activities for schoolchildren and vocational training are under the education programme.

176. During the reporting period, UNRWA participated actively in the consolidated appeals process coordinated by the Office for the Coordination of Humanitarian Affairs, contributing to the design of the document for 2005, and participating in the mid-year review. In keeping with past practice, the Agency launched its own emergency appeal, fully reflected within the consolidated appeal, to request $185.8 million to cover the period from January to December 2005.

177. In 2004, owing to receipt of insufficient funds, the Agency was forced to re-prioritize its emergency appeal to focus primarily on food aid, emergency employment creation and cash assistance. Earmarked pledges towards the 2005 appeal made a significant contribution towards rehousing some of the 2,400 homeless families whose shelters had been destroyed by the Israel Defense Forces.

178. During the reporting period, the Agency completed the rebuilding of 273 shelters in the Gaza Strip and repaired a total of 52 shelters in the West Bank. An average of 6,525 additional short-term jobs were maintained within the Agency throughout the year for Palestine refugees, and UNRWA created 2,037,886 days of temporary work through direct hire and community-based infrastructure and construction projects. Food was distributed to an average of 128,675 vulnerable

families in the Gaza Strip and 59,000 in the West Bank each quarter. UNRWA also provided selective cash assistance to families who could not meet their basic needs. Under the health programme, mobile clinics in the West Bank provided basic health care and first aid in 120,877 consultations for patients who could not reach UNRWA health-care facilities because of movement restrictions. Other emergency health services included psychosocial counselling, especially for children, to prevent long-term problems and limit the school dropout rate. Other forms of emergency assistance included distribution of tents, blankets and kitchen sets to homeless families and the rehabilitation of shelters.

179. *Status of funding*. UNRWA has received contributions towards the 2005 emergency appeal in the amount of $88.48 million, or 48 per cent of the amount requested, as at 30 June 2005. Contributions for the 2004 emergency appeal, which totalled $193.6 million, amounted to $110.3 million, representing 53 per cent of funds requested. Expenditure of funds for the appeal amounted to $105,960,476 during the reporting period.

Chapter III
Financial matters

A. Fund structure

180. During the period from 1 July 2004 to 30 June 2005, UNRWA received contributions and incurred expenditure against the following headings:

(a) Regular budget;

(b) Projects budget;

(c) Emergency appeals.

181. The regular budget covered all recurrent costs incurred by UNRWA programmes in education, health and relief and social services, and by all support functions. In 2005, critical activities from the medium-term plan, as well as activities from the emergency appeals, including psychosocial support, remedial education and additional health care, are included as a lump-sum adjustment to the originally approved regular budget.

182. The projects budget covered project funding received for projects and activities of a one-time nature, such as the construction of schools, health centres, environmental health infrastructure and the junior professional officers programme.

183. UNRWA launched seven emergency appeals from September 2000 to December 2004 to address needs arising from the ongoing conflict in the West Bank and Gaza fields. In 2004, appeals were launched for $209.4 million, including a $15.8 million appeal for Rafah in the Gaza Strip, to address critical needs resulting from a major Israeli military operation in May 2004. For 2005, an emergency appeal was launched in the amount of $185.8 million.

B. Budget, income and expenditure

184. Certain organizational characteristics of UNRWA were particularly relevant to its financial situation, such as the Agency's role as a direct provider of services for the Palestine refugee population through its own installations and staff; the public sector nature of UNRWA services, including availability to all those meeting the Agency's operational definition of a Palestine refugee; the steady growth in the number of beneficiaries over time owing to natural growth in the refugee population; and the Agency's lack of access to revenue sources traditionally available to public sector entities, such as taxation or borrowing, and the concomitant reliance of the Agency on voluntary contributions for income.

185. UNRWA prepares its budget on a biennial basis, although operations are financed on an annual basis. The 2006-2007 budget process has improved budgeting transparency by further refining the results-based approach adopted by the Agency in 2002, and by providing donors and host authorities the opportunity to discuss the process (November 2004 and March and May 2005).

186. The budget for the biennium 2006-2007 has the following features:

(a) Programmatic aspects of the budget have been integrated with the resource narrative by employing a results-based management approach, which links

programme activities to programme objectives and expected accomplishments. The latter are assessed through use of key performance indicators. This approach reinforces the usefulness of the budget as a planning, managerial and fund-raising tool, while at the same time maintaining the Agency's financial transparency.

(b) The programme of work specifies goals, objectives, planned outputs and expected accomplishments measured by indicators of achievement for all Agency programmes and subprogrammes. Programme descriptions and justification accompany all budgeted activities.

(c) The biennium budget covers the Agency's financial requirements for regular programmes, including the regular budget and the projects budget.

(d) Data from prior bienniums is provided to facilitate comparisons and, where appropriate, to offer baseline data against which to discern programme and budget trends.

(e) The guiding principle of the budget preparation was a "needs-based approach", with special provisions to integrate new core programme activities, to implement changes promulgated by the host authorities, and to address unmet basic priority needs of a recurrent nature. Programme-specific, as well as more general strategic assumptions were employed, including those contained in the medium-term plan.

187. *Budget performance review*. In order to monitor implementation, periodic budget performance reviews were conducted that included reporting by programme managers on progress in achieving the programme objectives specified in the budget. This review activity was enhanced through the use of key performance indicators.

188. *Regular budget*. The 2004 regular budget amounted to $351 million, of which $330.3 million represented the cash portion and $20.7 million the in kind portion, consisting mainly of donations for the special hardship cases and the food support programmes. The Agency's 2005 regular budget totals $361 million, of which $339.3 million is the cash portion and $21.7 million the in kind portion (see annex I, table 10). In real terms, the budget for the biennium 2004-2005 revealed negative growth when adjusted for increases in the beneficiary population and inflation. The 2006-2007 budget incorporates increased requirements because it employs a "needs-based approach".

189. *Projects budget*. The Agency's projects budget for 2005 was $47.1 million.

190. *Income and sources of funding*. Income in 2004 amounted to $476.2 million, of which $342.3 million was for the regular budget, $22.9 million for projects and $111 million for the emergency appeals. Voluntary contributions from Governments and the European Community accounted for $450 million, or 94.4 per cent of total income (see annex I, table 11). Approximately $16.4 million of total income was received for the purchase of food commodities, and an additional $1.3 million was received in kind. Other United Nations bodies provided $17.4 million (3.6 per cent of total income) to cover staffing costs. The United Nations Secretariat funded 110 international posts, and UNESCO and WHO funded four international posts in education and health. The remaining $8.8 million (2 per cent of total income) came from miscellaneous sources such as NGOs and exchange rate gains.

191. *Expenditure and financial results.* Total expenditure in 2004 was $503.3 million, of which $332.2 million was from the regular budget, $37.5 million from projects and $133.6 million from the emergency appeals. The Agency ended the year 2004 with a deficit of $8.7 million on the original budget, but the difference between the actual cash income of $322.3 million and the actual cash expenditure of $308.3 million resulted in a surplus of $14 million in the cash portion of the regular budget. This included $1.5 million in exchange rate gains. In August 2004, the management rescinded the 1999 staff rules because they had adversely affected staff recruitment and retention, and created an unfair discrimination between staff doing the same jobs. This creates an expense of an estimated $8 million per annum.

192. *Termination indemnities.* The 2004-2005 and the 2006-2007 regular budgets did not include any provision for termination indemnities payable to local staff upon the eventual dissolution of the Agency. The Agency has been unable to fund such a provision. The current estimated amount of $156.1 million as at 31 December 2004 for such termination indemnities represents an unfunded contingent liability for the Agency.

C. Non-regular budget activities

193. *Post-1999 projects.* The balance under post-1999 projects was $30 million as at 31 December 2004, representing the difference between income of $82 million and expenditure of $52 million.

194. *Emergency appeals.* The balance of the emergency appeals as at 31 December 2004 was $62.5 million, of which $13 million represented amounts pledged but not received. Since the first appeal was launched in October 2000 until 31 December 2004, UNRWA has received contributions amounting to $410.8 million and incurred expenditure of $348.3 million.

D. Current financial situation

195. *Working capital.* Working capital stood at $46.5 million as at 31 December 2004. This included $36.8 million carried forward from December 2003. Continued application of strict financial controls and exchange rate gains contributed to the end-of-year excess of income over expenditure of $9.7 million.

196. *Cash position.* The cash position of the Agency improved during the first half of the reporting period, from $134.2 million at the beginning of 2004 to $162.1 million by 31 December 2004. This improvement was in part due to the reimbursement by the Palestinian Authority of value-added tax (VAT) owed from prior years. There remained outstanding cash pledges under the regular budget of $12.5 million, as at 31 December 2004. In addition, $12.4 million was due in VAT from the Palestinian Authority as at 31 December 2004.

197. *Financial situation at 30 June 2005.* Planned cash expenditure for 2005 in the regular programme was $386 million, against an expected cash income of $359 million.

Chapter IV
Legal matters

A. Agency staff

Arrest and detention of staff

198. The total number of UNRWA staff members arrested and/or detained decreased from 52 in the previous reporting period to 45 in the current reporting period (see annex I, table 12). The number of staff members arrested and/or detained by the Israeli authorities decreased from 34 to 31. Of these, 30 staff members were from the Agency's West Bank field and one from the Gaza field. According to the documentary information available to the Agency, nine have been convicted by Israeli military courts for security-related offences and a further seven are under indictment. The number of staff members arrested and/or detained by the Palestinian authorities decreased from eight to six. At 30 June 2005, 18 staff members remained detained by the Israeli authorities and one by the Palestinian authorities. In addition, three staff members were arrested in Jordan and two in Lebanon, all of whom were released without charge or trial after short periods of detention. Three staff members were arrested in the Syrian Arab Republic, of whom two were investigated for minor charges and released and one was still in detention at the end of the reporting period for involvement in a family quarrel.

Functional protection of detained staff

199. In most cases the Agency was not provided with adequate or timely information to determine whether the arrest and detention of the staff members were related to their official functions. Accordingly, the Agency was unable to ensure that rights and obligations flowing from the Charter of the United Nations, the Convention on the Privileges and Immunities of the United Nations and the relevant Agency staff regulations and rules were duly respected.

200. In the case of the staff members detained by the Israeli authorities, the Agency eventually received copies of some of the official court documentation relating to staff members reported to have been convicted or indicted. In the case of the staff member detained by the Palestinian authorities in the Gaza Strip, the Agency was not provided with any information in response to its requests. Three staff members arrested during the reporting period by the Palestinian authorities in the West Bank were released after being detained for a short period and before any information was requested or received. The Agency was informed that a fourth staff member arrested by the Palestinian authorities in the West Bank (who has been released pending trial) is facing charges of complicity in a murder case; a fifth staff member was arrested shortly before the end of the reporting period. The Lebanese authorities provided the Agency with adequate information about the reasons for detention of its staff members, as requested by the Agency, while in Jordan the reasons given for the detention of staff members were stated only as "security-related". In the Syrian Arab Republic, the Agency obtained adequate official information on the three arrested staff members.

Access to detained staff

201. The Agency was not granted access to staff members arrested by the Israeli authorities in the West Bank or Gaza Strip. Four of the staff members detained by the Palestinian authorities during the reporting period were released before requests for access were made and the request for access to a fifth was pending at the end of the reporting period. In Lebanon and Jordan, staff members were released before requests for access were made. Given the nature of the three cases in the Syrian Arab Republic, the Agency has not pursued the matter of access with the authorities.

202. As the Agency has not been able to visit any of its staff detained by the Israeli authorities, their condition remains unknown. During the reporting period, none of the staff members detained by the Jordanian, Syrian, Lebanese or Palestinian authorities complained of mistreatment.

Freedom of movement of UNRWA staff in the occupied Palestinian territory

203. The Israeli authorities, citing security concerns, have continued to impose far-reaching restrictions on the freedom of movement of UNRWA personnel in the occupied Palestinian territory. The restrictions have included the external closure of the West Bank and the Gaza Strip, the imposition of curfews and internal closures, the setting-up of fixed and mobile checkpoints, and the continuation of cumbersome procedures requiring permits and magnetic cards for local staff resident in the West Bank and the Gaza Strip to enter Israel and East Jerusalem.

204. The Israeli authorities have also continued to impose restrictions on travel of UNRWA personnel and vehicles across borders and crossing points, including the Allenby (King Hussein) Bridge between the West Bank and Jordan, the Rafah crossing between the Gaza Strip and Egypt and Ben Gurion Airport in Israel. These restrictions resulted in increased costs, employee absences and difficulty in delivering humanitarian supplies, disrupting UNRWA programmes in the occupied Palestinian territory. The restrictions are inconsistent with established principles of international law, the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations, the 1949 Geneva Convention relative to the Protection of Civilian Persons in Time of War, and the 1967 bilateral exchange of letters between the Agency and the Government of Israel (the Comay-Michelmore Agreement).

205. The Israeli authorities state that the restrictions are necessary because of considerations of military security or self-defence, including against terrorist attacks. The Agency continued to make representations to the Israeli authorities at all levels, including at meetings with officials of the Israeli Ministries of Foreign Affairs and Defense, to have the constraints affecting UNRWA operations removed or alleviated and to facilitate the freedom of movement of the Agency and other international and humanitarian organizations in the occupied Palestinian territory. Both in the West Bank and the Gaza Strip, better coordination through IDF liaison officers led to some improvement in staff movement, but not a substantial overall improvement in the situation, and the freedom of movement of UNRWA staff members remained unpredictable.

External closures of the West Bank and the Gaza Strip

206. The procedures instituted by the Israeli authorities after September 2000 strictly regulating entry into and exit from the West Bank and the Gaza Strip for Palestinian staff members remained in place during the current reporting period. The Agency's local staff from these areas continued to be required to obtain a permit to enter Israel and East Jerusalem. Passage through the Erez checkpoint remained unpredictable, hampering the operations of the Agency's Gaza headquarters and Gaza field office.

207. In Gaza, the Erez crossing was fully closed to local staff for 156 days and partially closed on 32 days. The other point of entry and exit available to them, the Rafah terminal, was subject to full closure on 81 days, partial closure on 20 days, and closure to males between 16 and 35 years old for 224 days. The Sofa crossing, the entry point for construction materials into the Gaza Strip, was fully closed for two days and partially closed for 259 days. The sole crossing point for commercial goods, the Karni crossing, was completely closed for 39 days and subject to operational breakdowns and other interruptions on days that it was nominally open. The West Bank was often subject to full external closure.

Curfews and internal closures in the West Bank

208. The movement of UNRWA staff inside the West Bank was severely restricted by curfews and closures. Curfews were imposed on cities, towns, villages and refugee camps, affecting on average 150,540 inhabitants per month. The most severe restrictions were imposed in Nablus and Hebron. Even in the absence of curfews or military operations, staff members were often prevented from reaching work by checkpoints and roadblocks. Permanent checkpoints, manned by IDF or the Border Police, and roadblocks of various kinds continued to be maintained on all major and most minor roads throughout the West Bank during the reporting period. Depending on the security situation, IDF often erected additional temporary or mobile checkpoints. Roads and dirt tracks leading into and out of villages were routinely obstructed by earth mounds, concrete blocks, deep trenches, barriers and iron gates. According to Office for the Coordination of Humanitarian Affairs estimates, the number of such obstructions declined from more than 700 at the beginning of the period to 605 by 12 April 2005, and there are indications that there had been substantial additional declines by the end of the reporting period. Agency staff experienced the most serious problems at checkpoints in the Nablus and Hebron areas and, increasingly since January 2005, in the Jerusalem area. There was a monthly average of 69 major access incidents (denied or delayed access) at checkpoints, affecting 290 staff members travelling in Agency vehicles. As most Agency staff travel to and from work in the West Bank in private vehicles, the access problem was more serious than these statistics alone would indicate.

Curfews and internal closures in the Gaza Strip

209. UNRWA staff in the Gaza Strip continued to experience severe restrictions in their movements as a result of curfews and internal closures. During the period from July 2004 to February 2005, IDF continued restrictions on movement of persons and goods by bisecting and sometimes trisecting the Gaza Strip. The Abu Houli-Gush Qatif checkpoint, a permanent checkpoint in the south of the Gaza Strip, was officially open from 0600 hours to 2000 hours, and crossings in private vehicles,

donkey carts and on foot were prohibited. However, the checkpoint was totally or partially closed for 222 days during this period. Following the Sharm el-Sheikh summit on 8 February 2005, restrictions and delays were reduced significantly at this checkpoint, as well as on the coastal road at the Netzarim junction in the middle of the Gaza Strip, where IDF often cuts off the middle and south from Gaza City and the north. Both the coastal road and the Abu Houli-Gush Qatif checkpoint were generally open on a 24-hour basis. On 13 March 2005 the restriction on passage of private vehicles at the Abu Houli-Gush Qatif checkpoint was lifted. Significant traffic delays were still experienced however, as traffic was allowed to move in only one direction at a time, because the Israeli authorities regularly searched vehicles at the checkpoint, or because there continued to be intermittent closures.

General effects on UNRWA operations in the Gaza Strip

210. In the Gaza Strip, as a result of the closures and delays, the Agency lost some 29,422 teaching days at an estimated cost of $592,268. In addition, some 91,695 working hours were lost as a result of non-teaching staff being delayed or failing to reach their workplaces, at an estimated cost of $306,628. Further, the Agency was repeatedly obliged to accommodate essential local staff members at hotels in Gaza City, at a cost of $96,680 for hotel accommodation and staff relocation allowances. In February 2005, the requirement (dating from April 2002) that vehicles crossing the Abu Houli-Gush Qatif checkpoint contain at least three persons was lifted for United Nations vehicles.

Closed areas in the Gaza Strip

211. The closure regimes imposed on the Seafa area adjacent to the Dugit and Alai Sinai settlements in the north of the Gaza Strip in July 2001, the Al-Mawasi area in the south in December 2001, and the Muhata-Al-Ma'ani area (adjacent to the Kfar Darom settlement) in January 2004 continued. These closure regimes included night-time curfews, severe restrictions on the movement of persons and goods, and frequent search operations within the areas. The Al-Mawasi and Seafa areas were at times completely closed for extended periods. In March 2005, IDF erected a new fence around the Palestinian area of Abu Nahiya, south of Kfar Darom settlement, enclosing approximately 180 persons inside the new perimeter. An access point in the fence allowed vehicle and foot passage for residents.

212. UNRWA operations within the closed areas of Al-Mawasi, Seafa and Muhata-Al-Ma'ani were adversely affected by the extensive security restrictions. UNRWA was prevented from bringing contractors and building materials needed to repair refugee shelters into Al-Mawasi and UNRWA trucks with food aid into Al-Mawasi and Seafa. In order to get food aid into Seafa UNRWA was forced to offload it and pass it through an X-ray machine. From April 2005, UNRWA was allowed to bring food into Al-Mawasi using settlement roads and Israeli-registered trucks.

213. As a result of improved cooperation with IDF, the Agency was able to facilitate access for UNRWA medical staff, sanitation workers, social workers and food aid to the closed areas, thereby improving the Agency's services to the population. However, in spite of prior coordination, visits to those areas were sometimes cancelled or postponed by IDF with little or no warning and, when access was granted, UNRWA staff, vehicles and their contents were subjected to searches and delays.

Expanding security zones and house demolitions in Gaza

214. IDF continued to expand the areas inside the Gaza Strip where curfews were imposed during night-time hours, particularly in areas adjacent to Israeli settlements and Israeli-reserved roads. IDF carried out extensive destruction of farmland and housing in those areas and effectively created extended security zones adjacent to Israeli settlements and the border between Israel and Egypt. Movement in these areas was regarded as extremely dangerous, even during daylight hours, owing to the risk of gunfire from Israeli positions, thereby restricting UNRWA operations. Notwithstanding Security Council resolution 1544 (2004) in which the Council specifically called on Israel to respect its obligations not to carry out house demolitions contrary to international humanitarian law, IDF continued extensive house demolitions in the Gaza Strip until the end of 2004, destroying or damaging beyond repair a total of 721 homes and rendering 1,123 families homeless. Another 392 homes were seriously damaged and in need of substantial repair. UNRWA was able to rebuild only 402 shelters during the reporting period, and to assist in the repair of 339. An additional 148 shelters for 165 families were in the process of being rebuilt or at the tendering stage at the end of the reporting period, and some 272 were being repaired. Since the beginning of the current intifada, IDF has completely demolished 2,521 refugee shelters in the Gaza Strip, rendering homeless 4,337 families or 24,151 persons. During the same period, the Agency has rebuilt 775 shelters for 831 families at a total cost, including the 148 shelters currently under construction or being tendered, of some $20.6 million.

Entry and driving permits issued by the Israeli authorities for UNRWA local staff

215. The prohibition on holders of West Bank and Gaza Strip identification cards, including UNRWA local staff, entering Israel and East Jerusalem without special permits continued. To qualify for a permit, local staff members had to first obtain a magnetic card (for which a fee is paid) reflecting security clearance.

216. As at the end of the reporting period, valid entry permits to enter East Jerusalem were held by 401 staff members with West Bank cards (84 per cent of the 474 requiring them). In the Gaza Strip, only 45 of 67 permits requested were issued. Applications for permits were often turned down on unspecified security grounds. When permits were granted, most were valid only for day trips and only for a three-month period. The Agency also applied for and obtained special permits for two Gaza-based Palestinian staff members that allowed overnight stays in Israel or East Jerusalem for specific dates. During the frequent closures of Erez crossing to all Palestinians, staff members, including those with Jerusalem identification cards, were not allowed to cross, notwithstanding their permits.

217. The entry permits granted to local staff in the West Bank and the Gaza Strip specifically forbid the holder to operate vehicles in East Jerusalem or Israel.

International drivers

218. The continuing prohibition on local staff with West Bank or Gaza identification cards driving in Israel or East Jerusalem has compelled the Agency, at considerable additional cost, to use international drivers for all courier routes.

Erez crossing

219. During the current reporting period, as during the previous period, international staff members were permitted to use the Erez crossing between Israel and the Gaza Strip. Except for the relatively small number accorded diplomatic status by the Israeli authorities, international staff were required to submit their vehicles and personal baggage to a time-consuming search prior to entering Israel.

220. Restrictions on the movement of UNRWA and United Nations staff across Erez increased during the first half of the reporting period and were frequently changed without warning or prior coordination. The Israeli authorities required that UNRWA and other United Nations agencies give "five working days" written notice to the Israeli authorities so that individuals, except those accorded diplomatic status, would be permitted to cross into the Gaza Strip for the first time, but compliance did not always ensure timely permission.

221. Following a number of Palestinian attacks directed against IDF at the Erez crossing and the neighbouring industrial zone, the Israeli authorities imposed a series of further restrictive measures adversely affecting UNRWA staff and Agency operations. From 11 September to 18 October 2004, all United Nations staff were prohibited from crossing Erez by vehicle unless accompanied by a staff member with an Israeli diplomatic visa.

222. As in the previous reporting period, the United Nations maintained the decision not to permit staff to cross Erez on foot. Many staff were therefore able to cross in and out of the Gaza Strip only when "ferried" by senior United Nations officials holding Israeli diplomatic visas. This restriction was eased on 18 October 2004, when international staff without diplomatic visas could "exceptionally" cross Erez in a vehicle, but only if such movement had been coordinated with the Israeli authorities in advance of crossing. At the end of the reporting period this requirement for prior coordination of "non-diplomats" remained in place.

223. From 11 September 2004 to March 2005, Palestinian staff members with Gaza, West Bank or Jerusalem identification cards were prohibited from crossing Erez in vehicles, even in United Nations vehicles with international drivers. Thus, Palestinian staff as a practical matter could not cross Erez even if they had the requisite permits. Starting in March 2005, with two days' notice, Jerusalem identification holders with permits were again allowed to cross in United Nations vehicles with international drivers, and starting in mid-April 2005, with two days' notice, Gaza identification card holders with permits, if they held mid- to senior-level positions with the Agency, were allowed to cross in such vehicles, albeit with some exceptions and sometimes with inordinate delays.

224. The requirement instituted during the previous reporting period that all United Nations staff stop at the Palestinian checkpoint inside the Gaza Strip to be cleared by the Israeli authorities by telephone before moving to the Israeli terminal has continued to cause long delays, often of several hours, exposing Agency staff to unnecessary danger when, as has happened repeatedly, there is firing in the area. Since February 2005 waiting time for clearance at the Palestinian checkpoint has improved significantly, but extended and unpredictable delays still occur occasionally.

Security Phase IV in the Gaza Strip

225. On 20 July 2004 the United Nations declared the Gaza Strip to be in Security Phase IV, requiring international staff, except those directly concerned with emergency or humanitarian relief operations or security matters, to be relocated. The United Nations decision was taken as a result of extensive Israeli military operations in the north of the Gaza Strip, rendering the use of the Erez crossing difficult and dangerous. Beginning on 21 July 2004, therefore, almost all of the Agency's Gaza headquarters international staff were relocated to Jerusalem and Amman. Despite the relocation, all regular programme and emergency operations in the Gaza Strip continued, with the Agency's Gaza field office remaining fully staffed. On 21 December 2004 the United Nations returned the Gaza Strip to Security Phase III and Gaza headquarters international staff returned to their duty station.

Allenby (King Hussein) Bridge

226. On five occasions in October and December 2004 the Israeli authorities asked, in violation of Israel's obligations under international law, to X-ray the Agency's diplomatic pouch in transit from Jordan at the Allenby Bridge. Each time the Agency refused, and the diplomatic courier either returned to Jordan or, after interventions by the Israeli Ministry of Foreign Affairs or IDF, was allowed to proceed without an X-ray of the pouch. In addition, from July to November 2004, the luggage of international staff based in the West Bank or the Gaza Strip and holding an Israeli Ministry of Foreign Affairs card was not searched. From November 2004 staff members were again required to pass through a metal detector and have their luggage searched.

227. Since mid-2002, the Israeli authorities have limited the number of persons holding West Bank and Gaza identification cards allowed to cross the Allenby Bridge to Jordan. Such persons, including UNRWA local staff, are required to obtain a reservation from the Palestinian Authority and commence their travel from a "rest house" in Jericho, sometimes having to wait overnight for transport from the rest house to the Allenby Bridge. Such staff members were generally required to obtain clearance from the Jordanian authorities prior to their travel until 25 May 2005, when the Jordanian authorities rescinded the requirement. The Israeli authorities did permit, on a case-by-case basis, a few senior Agency staff members who hold Gaza or West Bank identification cards to travel between Gaza and Jerusalem or Amman via the Allenby Bridge directly without using the rest house in Jericho.

Ben Gurion Airport

228. During the reporting period the Agency continued to be unable to obtain permits for staff members with West Bank or Gaza identification cards to use Ben Gurion Airport. As a result, such staff members who needed to travel by air to other destinations were required to travel to Amman or Cairo and to use the airports there, greatly increasing travel time and Agency expense.

Rafah crossing

229. The Rafah crossing remained the only point of exit from the Gaza Strip available to most UNRWA local staff travelling on official business. During the reporting period the crossing was completely closed for 81 days and partially closed

for 20 days. Even when the crossing was open, it often took staff members several days to cross, owing to the crowds waiting to cross and the limited number allowed to cross each day by the authorities involved. From July 2004 until mid-February 2005, the Israeli authorities prohibited Palestinian males, including UNRWA staff members, between the ages of 16 and 35 from using the Rafah crossing. Following an attack by Palestinian militants on 12 December 2004, the crossing was completely closed until 21 January 2005. Some 37 UNRWA local staff members who had been travelling abroad were unable to return to their duty stations in Gaza during this period, resulting in considerable lost productivity and substantial cost to the Agency.

Staff visas

230. During the reporting period no UNRWA international staff members were denied visas by the Israeli authorities and many of the Agency's long-standing applications for service visas for UNRWA local and international staff members assigned to duty stations in Jordan, the Syrian Arab Republic or Lebanon, but who need to travel to the Agency's offices in the West Bank or Gaza, began to be approved. Instead of multiple-entry visas valid for a year, however, only single-entry visas valid for three months were being issued. In the Syrian Arab Republic, some international staff had problems renewing their residence visas and some area staff holding a United Nations laissez-passer faced difficulties obtaining an exit visa. In July 2004, the Agency was informed that the validity of the Syrian exit visas would be reduced from six to three months, but the order was reversed in October 2004. In Jordan, in March 2005, the authorities finally renewed the yearly residence permit of one staff member who had been reassigned to Jordan from the West Bank in 1994.

Employment of local staff members in the Syrian Arab Republic and Jordan

231. During the reporting period, the Syrian authorities objected to the employment of four fixed-term local staff members on unspecified security grounds. None of the staff members was subsequently granted security clearance. The Jordanian authorities objected to the employment of 13 local candidates on unspecified security grounds. Three of the candidates were subsequently granted security clearance.

B. Agency services and premises

232. In the Agency's view, the continued restrictions imposed by the Israeli authorities on the freedom of movement of the Agency's personnel, vehicles and goods during the reporting period are not consistent with applicable principles of international law, including the Charter of the United Nations, the Convention on the Privileges and Immunities of the United Nations, the Fourth Geneva Convention and the 1967 Comay-Michelmore Agreement. The Comay-Michelmore Agreement, inter alia, requires the Government of Israel to "facilitate the task of UNRWA to the best of its ability, subject only to regulations or arrangements which may be necessitated by considerations of military security". The Israeli authorities and the Agency differ as to the scope of the language relating to military security, but some restrictions are unrelated to military security.

Access: health

233. Access to health service installations in the West Bank during the reporting period was impeded for both patients and staff by IDF measures restricting movement. Medical staff affected by the restrictions included doctors, nurses, pharmacists, laboratory technicians, physiotherapists and X-ray technicians, and a total of 288 staff days were lost. Mobile medical teams were often unable to operate and health centres were completely closed on five occasions, owing to IDF curfews, closures or travel restrictions. The Israeli authorities have insisted that all local United Nations staff obtain special permits to enter into the area (the "seam zone") between the 1949 armistice line and the sections of the barrier built inside the West Bank. In particular, Agency medical teams have been prevented on a number of occasions from entering seam zone enclaves such as Barta'a Al-Sharqiya on the grounds that local staff lacked permits.

234. The provision of medical services in the Gaza Strip, particularly specialist medical care in fields such as cardiology, paediatrics, gynaecology and ophthalmology, was also affected during the reporting period, as medical staff and health workers were often unable to reach their health centres, resulting in the loss of approximately 2,528 staff days. Access for UNRWA medical teams into closed areas such as Al-Mawasi and Seafa was severely restricted.

Access: education

235. In the West Bank, teachers and, to a lesser extent, students were often unable to reach their schools because of internal closures, curfews and delays or denials of passage at checkpoints. During the school year from September 2004 to May 2005, some 1,193 teacher days were lost at the Agency's 93 West Bank schools, representing an economic loss to the Agency of some $32,211. Owing in part to transfers and recruitment of teachers so that, where possible, they taught and lived in the same localities, the number of lost teacher days during the reporting period was substantially less than the 6,518 days lost during the previous reporting period. During the current reporting period, 41 instructor days were lost at the three UNRWA training centres in the West Bank, representing a further economic loss of some $1,558, compared to 726 instructor days lost at a cost of $27,951 during the previous reporting period. Since September 2000, in the West Bank approximately 120,357 teacher days have been lost at an estimated cost to the Agency of $3,152,813, and 19,382 instructor days have been lost at training centres at an estimated cost of $749,296.

236. In the Gaza Strip, movement restrictions imposed by the Israeli authorities prevented approximately 512 teachers and educators from reaching their workplaces at various times during the reporting period. In the 180 UNRWA schools in the Gaza Strip, some 291 school days and approximately 27,508 teacher days were lost, at an estimated cost to the Agency of $550,160. At the Gaza Training Centre, 1,914 instructor days were lost, at an estimated cost to the Agency of $42,108. Since September 2000, approximately 263,913 teacher days have been lost at UNRWA schools in the Gaza Strip at an estimated cost to the Agency of $5,278,260 in addition to 12,099 instructor days being lost at the Gaza Training Centre at an estimated cost of $266,178.

237. Particularly in the Gaza Strip, UNRWA believes that the losses of teaching time, as well as the general situation that has included attacks by IDF on UNRWA

schools during school hours, the wounding of students and staff inside school compounds, and the shelling, shooting and demolition of houses in civilian areas, have adversely affected the psychological well-being and academic performance of UNRWA students.

Access: relief and social services

238. The UNRWA relief and social services programme was also adversely affected by movement restrictions during the reporting period. Food distribution teams in the West Bank were prevented by Israeli authorities from reaching their distribution points, and food distributions repeatedly had to be rescheduled because of curfews and closures. Social workers were also regularly denied access to villages and rural areas. In the Gaza Strip, both the Agency's emergency relief operations and its regular relief programmes reported similar disruptions.

239. UNRWA faced difficulties in gaining access for social workers and food distribution teams to assist poor Palestinian families living in the closed areas. However, prior coordination with IDF facilitated some access. For example, the Agency's relief and social services team obtained access to the Seafa area nine times and to Al-Mawasi six times. Distributions under the special hardship cases, the pregnant nursing mothers' programme and the emergency programme were conducted despite continuing difficulties. The emergency food programme was suspended once during the reporting period, from 10 June until 19 September 2004, because of problems in transporting containers into and out of the Gaza Strip.

Impact of the West Bank barrier on Palestine refugees and UNRWA operations

240. Additional restrictions on the freedom of movement for both UNRWA and its Palestinian beneficiaries have been created by the barrier being built in the West Bank, including East Jerusalem. According to information gathered by UNRWA, the barrier has already begun to have an adverse effect on access to land, services and livelihoods for a large number of Palestine refugees living in or near the seam zone or close to the barrier. These refugees are being cut off from agricultural land, places of work and centres for health, education or other services.

241. The barrier will create additional demands for Agency services, while making service delivery increasingly difficult. Permits are now required for Palestinians to reside in or enter the seam zone, which is exacerbating access problems. UNRWA has continued to refuse to accept a permit system for the seam zone with regard to access for local Agency staff, resulting in delays and denials of access. With respect to the large number of Palestinians needing to enter the seam zone to access their farmland, UNRWA monitoring indicates that permit eligibility has become increasingly dependent on proof of ownership of land as opposed to security considerations. In addition, in certain areas, applicants who have previously received permits are now being rejected on the grounds that they lack clear title to the land in question.

242. Of the 63 gates currently installed in the northern section of the barrier, only 25 are generally open to permit holders. Each permit holder is restricted to a particular gate, which often has irregular and inconsistent opening and closing times and may not be the closest gate to his or her land. As a result, many landowners with permits, including refugees registered with UNRWA, are cultivating their land

infrequently or not at all. Landless labourers living outside the seam zone are not eligible for permits and lack alternative sources of income.

243. UNRWA is concerned that such problems will be replicated in many rural areas as the barrier extends through the middle and southern West Bank. In Jerusalem, the barrier is of operational concern to UNRWA, in view of the number and importance of UNRWA installations involved, in particular in Shu'fat camp, and the restrictions on freedom of movement already confronting UNRWA West Bank staff entering East Jerusalem.

Karni crossing

244. UNRWA is required to route its shipments of humanitarian goods and supplies into the Gaza Strip through the Karni crossing, except for construction materials, which enter the Gaza Strip through the Sofa crossing. During the reporting period, the Israeli authorities maintained the transit charge at Karni of NIS 150 (approximately $33) for a 20-foot container and NIS 200 (approximately $44) for a 40-foot container for containers entering the Gaza Strip and NIS 150 per empty container exiting. In the view of UNRWA the charge is a tax from which United Nations agencies should be exempted by virtue of the immunity from taxation granted by the Convention on the Privileges and Immunities of the United Nations. The Agency has repeatedly requested an exemption on that basis from the Israeli authorities, to no avail. Up to the close of the reporting period, UNRWA had been forced to pay $484,689 of those taxes, of which $223,572 was paid during the current reporting period.

245. At the end of March 2004, after an empty container from the Gaza Strip had been used to conceal two Palestinian militants who then carried out an armed attack in the port of Ashdod, new procedures were introduced at Karni that severely disrupted the Agency's ability to bring full containers into the Gaza Strip and return empty ones to Israel. At the end of the prior reporting period, the Israeli authorities had imposed a ban on the movement of empty containers out of the Gaza Strip pending the acquisition of a new X-ray machine, which was not operational until late August 2004. In an effort to allow some UNRWA humanitarian goods to enter, in mid-June 2004 the Israeli authorities had agreed to pay the basic costs for a back-to-back transfer of such goods. In practice, not all costs were absorbed by the Israeli authorities, there was substantial spillage and breakage in the process and the system seemed capable of handling no more than four to six container loads per day, whereas the Agency needed to bring in an average of 20 container loads per day. The procedure was halted in August 2004, when the Israeli authorities refused to continue paying the basic costs.

246. During the period from June to September 2004, the Agency was unable to receive sufficient containers via the Karni terminal. Accordingly, the Agency was forced to delay until 19 September 2004 the distribution of emergency food aid for Palestine refugees in the Gaza Strip that had been scheduled to start in mid-June 2004. Following protracted negotiations, IDF permitted the Agency in October 2004 to bring in 339 full containers through the Sofa crossing with the understanding that the same containers, when empty, could be returned to Israel the same way. In fact IDF did not permit those containers to be returned through the Sofa crossing, and the containers were stuck in Gaza for many months, accruing total demurrage charges of some $1,155,915.

247. Following an attack by Palestinian militants at Karni crossing on 13 January 2005 that killed six Israelis, the terminal was closed until 7 February 2005, when it was re-opened with increased security measures. By that time, 942 Agency containers intended for the Gaza Strip were backed up in the Israeli port of Ashdod and 363 empty containers were stuck inside the Gaza Strip. On 27 February 2005 the Israeli authorities agreed to a new procedure in which the Agency would bring all containers into the Gaza Strip through Sofa and would return the empty containers to Israel via Karni. This arrangement gradually reduced the number of empty containers inside the Gaza Strip and allowed the Agency to bring in some 440 containers over the following month. On 28 March 2005, IDF closed Sofa for further container entries. Nevertheless, by the end of the reporting period, the backlog of containers destined for the Gaza Strip on the docks in Ashdod and of empty containers inside the Gaza Strip had been cleared.

248. The extensive closures of the Karni crossing since April 2002 — compounded by the delays in allowing empty containers that have entered the Gaza Strip to be taken out — caused the Agency to incur excess storage and demurrage charges of some $6.5 million by the end of the current reporting period.

249. In March 2005, the Israeli authorities stopped the Agency's regular imports of benzene (petrol) into Gaza through the Karni crossing, citing unspecified safety and security concerns. Although the Israeli authorities permitted an "exceptional" delivery in May 2005, at the end of the reporting period the ban remained in place and discussions were continuing with a view to finding an acceptable solution.

Ashdod port

250. The Agency continued to experience difficulty and incur additional expense during the reporting period because of procedures introduced at Ashdod port in December 2001 that require security checks for UNRWA shipments by the Israeli authorities before being cleared by Israeli customs officials. In February 2004, an X-ray machine capable of screening complete containers was installed at Ashdod port, which reduced the time needed for security clearance of consignments. Nonetheless, because the X-ray machine regularly breaks down, the procedure has continued to result in delays and in the incurring of excess handling, storage and demurrage fees.

251. The Israeli authorities have imposed other restrictions that the Agency regards as impermissible under the Convention on the Privileges and Immunities of the United Nations. Since the beginning of the prior reporting period, five consignments of chemicals being imported by UNRWA for use in its health, education and sanitation programmes in the West Bank and the Gaza Strip have been refused entry by the Israeli authorities, resulting in approximately $25,000 in additional storage and related charges. From January 2005 to the end of the reporting period the Israeli authorities refused to release an Agency shipment of 33 Fiat Puntos. Consequently, approximately $59,000 in additional storage and related fees had been incurred. In April 2005 the Israeli authorities denied entry of a shipment of medical equipment on the basis that it contained urine sample bottles manufactured in Saudi Arabia, resulting in approximately $8,000 in additional storage and related fees by the end of the reporting period. In response to Agency protests concerning the urine bottles, the Ministry of Foreign Affairs suggested that the Agency should not import goods from "enemy countries", as such imports are contrary to Israeli law, and should

purchase supplies in Israel instead. At the end of the reporting period these matters remained unresolved.

Passage through checkpoints

252. UNRWA vehicles carrying Agency staff members within the occupied Palestinian territory were regularly stopped at checkpoints, often for extended periods of time, while identity checks and searches were carried out. During the reporting period, there were some 829 significant incidents of denial of entry or delay of UNRWA staff and vehicles at checkpoints in the West Bank, involving some 3,488 UNRWA employees and resulting in 4,030 lost working hours (equivalent to 537 working days). In some instances staff members' UNRWA identification cards were confiscated, and occasionally summonses were issued to staff members instructing them to appear for questioning. On a number of occasions, staff members waiting at checkpoints were physically abused by IDF soldiers. In the Gaza Strip, UNRWA vehicles were often kept waiting at the Abu Houli-Gush Qatif checkpoint, while identification checks and searches were carried out. During the reporting period, there were some 89 significant incidents of denial of passage or delay of UNRWA staff and vehicles at checkpoints in the Gaza Strip.

Searches of vehicles and goods

253. The Israeli authorities in the occupied Palestinian territory have frequently demanded to search UNRWA vehicles. It is the Agency's policy to refuse such demands and to protest against such searches when they occur.

Construction projects

254. During the reporting period, UNRWA construction projects in the occupied Palestinian territory were delayed or stopped altogether because of the restrictions on movement of personnel, vehicles and goods, as well as a lack of construction materials. In the West Bank, for example, of 11 construction projects under way during the reporting period, 6 were delayed by a total of 67 working days and one was suspended for 13 months because of difficulties with the Israeli authorities. In the Gaza Strip, two construction projects with an overall budget of some $500,000 were suspended for a cumulative total of 34 days, while another 16 construction projects with a value of some $4.1 million were partially stopped, and 18 environmental health infrastructure projects with a budget of $9.8 million were delayed. The repair of over 700 shelters continued to be suspended until further notice as the shelters were situated close to Israeli settlements or IDF posts and in danger of being damaged or destroyed by IDF operations. In Lebanon, on 30 November 2004 restrictions on movement of construction materials into the refugee camps in southern Lebanon that had been in place for some years were lifted by the Lebanese Army. However, they were re-imposed on 20 June 2005.

Operations Support Officer programme

255. The Operations Support Officer programme has continued in both the West Bank and the Gaza Strip. The programme played an invaluable role during the reporting period in facilitating access of staff members and UNRWA vehicles, including ambulances and humanitarian convoys, through checkpoints in the West Bank and into closed areas and other areas affected by ongoing Israeli military

operations in the Gaza Strip; in reporting on the developing humanitarian crisis among the Palestinian population to which UNRWA provides assistance; and in the regular monitoring and inspection of UNRWA installations.

256. For example, from June to October 2004, following Qassam rocket attacks launched by Palestinian militants from the Gaza Strip at the northern settlements and the nearby Israeli town of Sderot, some of which resulted in Israeli casualties, IDF launched a series of major operations in the northern part of the Gaza Strip, including Beit Hanoun, Beit Lahia and the northern part of Jabalia. Through liaison with IDF, the Operations Support Officers facilitated access for distribution of food commodities to the inhabitants of Beit Hanoun and facilitated access of fuel deliveries for municipality water pumps and generators. During the military operations, Operations Support Officers daily escorted UNRWA staff to and from Beit Hanoun in order to maintain minimum medical services at the UNRWA health centre there. In the West Bank, the programme has, in addition to its other activities, monitored and reported on the humanitarian impact of the barrier, concentrating on key issues such as access, health, education and socio-economic factors, especially with regard to refugee populations caught within the seam zone or enclosed areas. Through their presence, reporting and other functions, the Operations Support Officers have been able to provide a measure of protection to Agency local staff and to Palestine refugees in the occupied Palestinian territory. In addition, Operation Support Officers inspected all installations in the Gaza Strip and the West Bank.

Armed interference by Israeli authorities

257. On 14 July 2004, what appeared to be warning shots were fired from an IDF position at a convoy of clearly marked Agency vehicles on the outskirts of Beit Hanoun. On 17 July 2004, an UNRWA mobile health clinic was stopped by IDF, who forced out the UNRWA driver and medical personnel at gunpoint and searched the vehicle. On 13 June 2005, an UNRWA driver transporting vaccinations to an UNRWA health centre was stopped at a mobile checkpoint in Wadi Bathan, near Nablus, where an IDF soldier struck the vehicle's windscreen with his weapon, dragged the staff member from the vehicle and kicked him in the leg. On 5 April 2005 an IDF officer at Erez cocked and pointed his weapon at a senior UNRWA international staff member.

Armed interference

IDF shooting at schools; injuring of students and staff members: West Bank

258. In the West Bank during the reporting period, 14 UNRWA students were injured as a result of the ongoing conflict. There were five instances where tear gas canisters and/or sound bombs were thrown inside or next to UNRWA school compounds causing injury and creating panic. For example, on 25 July 2004, during school hours, IDF soldiers blew up the main gate of Kalandia Basic Girls School, threw tear gas into the school playground, entered the school, and confined the teachers and pupils aged 6 to 15 years to one room while they searched the classrooms. The soldiers then entered the adjoining Kalandia Basic Boys School, assaulted the gate attendant and pointed their guns at the staff and young boys while ordering them not to move. On 7 September 2004 in the course of clashes in Aida camp in the West Bank, IDF soldiers detonated tear gas canisters alongside the boundary wall of Aida Basic Girls School causing some 115 girls aged 6 to 8 years

to vomit from severe tear gas inhalation and forcing the school's evacuation. On 19 September 2004, during further clashes, IDF soldiers threw tear gas canisters into the same school, again causing panic and resulting in an evacuation. On 29 June 2005, Israeli Border Police threw tear gas canisters into the same school, again during school hours. Finally, on 11 June 2005, Israeli Border Police stopped outside the Shu'fat Basic Boys School and threw some 10 tear gas and sound bombs towards the school, most of which detonated inside the school, causing panic among, and tear gas inhalation by, teachers and students. At the Agency's request, the Israeli Border Police returned to the school some three hours later to remove unexploded ordnance from the premises. In the period from October 2000 to 30 June 2005, according to statistics maintained by the Agency, in the West Bank a total of 35 UNRWA students have been killed in the ongoing Israeli-Palestinian conflict and 434 injured.

IDF shooting at schools; injuring and killing of students and staff members: Gaza Strip

259. In the Gaza Strip during the reporting period, 23 UNRWA students were killed and 25 injured as a result of the ongoing conflict. Shots fired from the direction of IDF positions killed three young girls, as detailed below, and injured 13 other students, three staff members and a visitor while they were inside UNRWA schools.

(a) On 7 September 2004, a 9-year-old girl was hit in the head by shots fired from the direction of IDF positions while sitting at her desk at the Khan Younis Elementary C Girls School. She died in hospital 15 days later.

(b) On 12 October 2004, an 11-year-old girl was sitting in class at the Khan Younis Elementary D Co-Education School when she was struck in the abdomen by bullets coming from the direction of an IDF observation post near the Israeli settlement of Neveh Dekalim. She died in hospital the following day.

(c) On 31 January 2005, a 10-year-old girl was standing in a line in the yard of Rafah Elementary B Co-Education School when she was shot in the head by gunfire coming from the direction of an IDF position along the Egyptian border. She died before arriving at hospital. A 7-year-old girl standing near her was shot in the hand but survived.

260. In eight other separate incidents, all involving UNRWA schools in Rafah or Khan Younis, staff or students were injured as a result of gunfire coming from the direction of IDF positions:

(a) On 3 October 2004, a 14-year-old girl was shot and injured in the foot at the Khan Younis Preparatory A Girls School;

(b) On 10 October 2004, a 16-year-old student was shot and injured while in class at the Khan Younis Preparatory B Boys School;

(c) On 24 October 2004, six pupils and a teacher sustained minor injuries from flying glass when a bullet shattered a window at the Tel el-Sultan Elementary D Girls School in Rafah;

(d) On 21 November 2004, while in the yard of the Rafah Preparatory A Boys School, a student was hit by shrapnel in the arm, which resulted in his hospitalization;

(e) On 20 December 2004, a bullet grazed the head of a 13-year-old student at the Rafah Preparatory C Boys School, resulting in his admission to hospital;

(f) On 22 December 2004, at the Rafah Elementary F Boys School, an 11-year-old student was shot in the right hand and hospitalized;

(g) On 3 January 2005, at the Rafah Elementary C Boys School, a 12-year-old pupil was shot in the right shoulder during the school break and subsequently hospitalized;

(h) On 5 January 2005, at the Rafah Elementary B Boys School, a 36-year-old teacher was injured in the leg by shrapnel and was hospitalized.

In a further incident, on 27 September 2004, at the Khan Younis Preparatory A Boys School, a 60-year-old man while visiting his nephew, the school attendant, was shot in the abdomen, and later died, as a result of gunfire coming from the direction of an IDF position. According to statistics maintained by the Agency, in the period from October 2000 to 30 June 2005, a total of 123 UNRWA students have been killed in the Gaza Strip because of the ongoing conflict and 1,122 have been injured.

261. *Agency response to armed interference.* The Agency has protested to the Israeli authorities that the actions described above that kill or injure UNRWA staff and students, or that interfere with UNRWA installations violate Israel's international legal obligations under general principles of international law, the Charter of the United Nations, the Convention on the Privileges and Immunities of the United Nations, and, in many cases, the Fourth Geneva Convention and applicable international human rights conventions, particularly the Convention on the Rights of the Child. The Agency was also concerned at the number of incidents in which IDF operations were carried out in densely populated civilian areas, thereby causing an increasing number of incidental civilian injuries and fatalities. Two UNRWA staff members were killed in IDF operations while on their way between the workplace and home in the Gaza Strip. In the same incident that killed one of those staff members, on 10 October 2004, nine other people were killed, including a 14-year-old pupil from Preparatory B Boys School. Two contract labourers working, in one case, on the Agency's Rafah rehousing project and, in the other case, at the UNRWA Rafah warehouse, were injured by gunfire coming from the direction of IDF positions. In addition, in the Gaza Strip six off-duty UNRWA staff members were injured by gunfire from the direction of IDF positions.

262. *Interference by Israeli settlers.* Israeli settlers in the occupied Palestinian territory, particularly in the West Bank, occasionally harassed Agency staff.

263. *Armed interference by the Palestinian authorities.* There was one instance of armed interference by members of the Palestinian authorities with UNRWA personnel and an UNRWA vehicle. On 17 March 2005, in Dheisheh camp in the West Bank, 10 officers from the Palestinian Authority security services forced an UNRWA truck to stop and unsuccessfully attempted to take over from UNRWA staff the distribution of its load of food rations.

264. *Incursions into installations by Israeli authorities.* In addition to the incidents described above, on 26 July 2004 IDF soldiers entered Kalandia Training Centre after forcing the guard to open the gate. During a military operation in Askar refugee camp on 24 August 2004, IDF soldiers took over the UNRWA Girls School, using it to detain and interrogate some 700 male refugees from the camp. In the

Gaza Strip between 28 September and 15 October 2004, during extensive incursions into the Jabalia area, involving heavy fighting between IDF and Palestinian militants, IDF armoured vehicles entered, and partially destroyed the boundary walls and some structures of three UNRWA schools: Jabalia Preparatory B Boys School; Jabalia Elementary B and F Boys School; and Jabalia Preparatory A Boys School. During school hours on 30 September 2004, an IDF bulldozer demolished part of the boundary wall of the Jabalia Preparatory B Boys School and IDF soldiers entered the school. On 31 December 2004, after clearing an area west of Khan Younis camp, IDF bulldozers entered the Khan Younis Elementary D School, demolishing one boundary wall and part of another, then heaped sand into a classroom in the main building, rendering the school unusable for exams scheduled for January 2005.

Incursions into installations by Palestinian militants

265. *West Bank.* On 3 September 2004, a group associated with Fatah broke into the UNRWA Basic Boys School in the Balata camp for the purpose of commemorating the death of several people killed by IDF in that camp. This incursion took place notwithstanding the Agency's strong protests. On 18 May 2005, three armed Palestinians entered an UNRWA clinic in Far'a camp, opened fire in the air outside and later forcibly entered the hallways of Far'a Basic Girls School. On 30 May 2005, three armed youths forcibly entered Balata clinic and detained and threatened an Agency dentist. On 17 June 2005, over the vigorous objections of UNRWA staff members dispatched to the scene, a group of men and youths associated with the "Al Aqsa Martyrs Brigades", some of whom were armed, broke into the Agency's Girls School in the Balata camp to prepare for a large commemoration ceremony which was then held later that day.

266. *Gaza Strip.* On 17 July 2004, a small group in dispute with the Agency about land forcibly entered the UNRWA Khan Younis distribution centre. The group left the following day after UNRWA staff members, police and community leaders intervened. On 9 August 2004, a group of young men associated with the "Abu Rish brigades" forcibly entered the Khan Younis Elementary A School to organize a series of football games. UNRWA staff members successfully demanded that the men leave the premises. On 21 September 2004, hundreds of men associated with Fatah, including gunmen, forcibly entered the Rafah Preparatory D Girls School, intending to use it for military training. UNRWA staff members and community leaders successfully persuaded the militants to leave. On 20 May 2005, Palestinian militants entered the Agency's abandoned Al-Mazra school premises in order to carry out armed attacks against the nearby IDF observation post and the Kfar Darom settlement. IDF responded with heavy fire, killing one of the Palestinians and wounding a second. IDF then completed the destruction of the school boundary wall, which had already been partly destroyed by IDF bulldozers in 2004. Because of the proximity to IDF troops and the Kfar Darom settlement, and frequent firing, the Agency had ceased using those premises in 2000, and had withdrawn its guard from the premises in 2001.

267. *Incursions in other areas of operation.* In Jordan, there were two incursions into UNRWA schools. In July 2004, the Jordanian police entered the Joufeh Boys and Girls School and arrested four employees of a maintenance contractor. In November 2004, government officials and police entered the Baqa'a Elementary Boys School No. 1 and 2 in northern Amman and, without the Agency's consent,

held a banquet for local community members. There were no reports of armed incursions into UNRWA installations in Lebanon or the Syrian Arab Republic during the reporting period.

268. *Protests.* The Agency has strongly protested to the relevant authorities against forcible incursions into its installations. UNRWA has long-established policies and procedures in place to deal with requests for carrying out searches of its installations and to cooperate with any reasonable investigation that might be required by police, military or judicial authorities. In the Gaza Strip, to prevent the occurrence of incidents involving Palestinian militants and to ensure the inviolability of UNRWA premises, the Agency requested, and was usually provided with, protection for its installations by the Palestinian Authority.

269. *Damage to UNRWA installations and vehicles: occupied Palestinian territory.* In the Gaza Strip, 22 UNRWA installations were damaged by IDF action, many of them on more than one occasion, mostly in the Rafah and Khan Younis areas. The damage occurred as a result of IDF gunfire, sometimes in response to firing by Palestinian militants, sometimes for no apparent reason. For example, the Khan Younis Preparatory Boys School was damaged seven times, the Tel el-Sultan Preparatory Co-Education School in Rafah was damaged six times and the Rafah Elementary B and F Boys School was damaged five times. Total damage caused by IDF to Agency installations, vehicles and equipment in the Gaza Strip during the reporting period amounted to approximately $102,000. IDF caused only minor damage to UNRWA installations in the West Bank during the reporting period.

270. *Damage claims filed.* At the end of the reporting period, the Agency submitted claims to the Government of Israel for damage caused to UNRWA property in the occupied Palestinian territory for the period from 1 July 2003 to 31 December 2004 amounting to $225,006. Total claims submitted to the Government of Israel for damages to UNRWA property since the beginning of the current intifada now amount to $947,956. As of the end of the reporting period, the Agency had not received any response from the Government of Israel on these claims. The Agency intends to submit in due course additional claims for the damages incurred during the balance of the reporting period.

C. Other matters

Legal advice and assistance

271. The Agency continued to respond to requests for confirmation of refugee status from Palestinians and from governmental and non-governmental organizations worldwide. The Agency also occasionally referred Palestine refugees in the occupied Palestinian territory with grievances against the Israeli authorities to appropriate legal aid organizations for further assistance.

Reimbursement of taxes and other charges

272. During the reporting period, the Agency was reimbursed by the Palestinian Authority some $8.3 million for VAT paid by the Agency in prior years. At 30 June 2005, the total amount of VAT still due to the Agency from the Palestinian Authority was approximately $7.4 million. The Palestinian Authority has acknowledged that it should reimburse the Agency, but it has not yet done so.

273. The issue of reimbursement by the Government of Israel of port and related charges incurred by the Agency in connection with goods imported to the Gaza Strip and the West Bank through Israel remains unresolved. Since June 1994, in the case of cargo destined for the Gaza Strip, and January 1996, for cargo destined for the West Bank, UNRWA has been paying all such charges for Agency cargo arriving at Israeli ports. Those charges were previously paid by the Israeli authorities pursuant to the terms of the 1967 Comay-Michelmore Agreement. The Agency's position is that the obligation to pay port and related charges remains with the Government of Israel. The total amount of port charges due to the Agency at 30 June 2005 was approximately $21.1 million. The Agency has filed a claim with the Government of Israel in the amount of $18,776,665 for port charges incurred until April 2005.

274. The Agency continued to be required to pay port fees and charges to the Syrian authorities, which the Agency maintains is contrary to the 1948 Agreement between the United Nations and the Government of the Syrian Arab Republic. While the Ministry of Foreign Affairs indicated that it would consider the matter, it remained unresolved at the end of the reporting period. The Ministry informed the Agency that the right of United Nations officials under the Convention on the Privileges and Immunities of the United Nations to import free of duty into the Syrian Arab Republic their furniture and effects upon taking up their posts would be restricted to those officials with diplomatic status; the situation of other international staff members would be considered on a case-by-case basis. Consequently, there were delays of some two months in obtaining clearance for the duty-free importation of the household effects of two international staff members who took up their posts during the reporting period.

275. The Jordanian authorities have required Agency local staff leaving Jordan for the Syrian Arab Republic to pay departure taxes even when travelling on duty. The Agency has raised this issue with the Ministry of Foreign Affairs on several occasions, but the matter remained unresolved.

Restrictive procedures in the Syrian Arab Republic

276. In the Syrian Arab Republic, the Agency continued to be required to submit its customs declaration forms with commercial invoices for endorsement by the Boycott Office. While no imports have been refused as a result of this requirement, the Agency has protested about the requirement to the Syrian authorities on the grounds that UNRWA imports should not require such endorsement. With respect to the importation of vehicles, the Government of the Syrian Arab Republic has reaffirmed that there is no limitation on the number of vehicles that UNRWA may import for the purpose of carrying out its operations. In practice, however, the Syrian authorities continue to make the importation of new vehicles contingent on the deletion of the records of existing vehicles, on a one-for-one basis, which represents a de facto limitation. This resulted in a delay of about one month in the importation of some 10 vehicles, which was an improvement compared to the prior reporting period, during which there was a delay of more than six months in the importation of some 19 vehicles. The Ministry of Foreign Affairs has agreed to review the situation with respect to vehicle imports to try to find a solution.

Vehicle insurance and licensing in Israel

277. The Agency continued discussions with the Israeli authorities over the issue of vehicle insurance for UNRWA vehicles registered with the Israeli authorities for use in Israel, the West Bank including East Jerusalem and the Gaza Strip. UNRWA procures such insurance under a global policy from a Palestinian insurance company that covers UNRWA vehicles in all of its five fields of operation and Israel, with coverage in Israel matching that required by Israeli law. The Israeli authorities continued to refuse to recognize the validity of the UNRWA policy for vehicles being driven in Israel, insisting that Israeli law requires coverage from an Israeli insurer. Out of concern for its staff members who were being stopped and given summonses by Israeli police for allegedly driving without valid insurance, the Agency decided, under protest and at an additional cost that is yet to be determined, to obtain insurance from an Israeli insurer to cover Agency vehicles being driven in Israel (as defined by the Israeli authorities). At the end of the reporting period, the Agency was still negotiating the terms of such insurance.

278. Several staff members driving UNRWA vehicles in the West Bank and carrying valid insurance from the Agency's Palestinian insurer were arrested and charged with driving without valid insurance. The Agency has requested the Israeli Ministry of Foreign Affairs to have the charges dismissed or suspended. Some UNRWA staff members with West Bank identification cards driving UNRWA vehicles were stopped by the police and given summonses because their UNRWA vehicles had licence plates issued by the Government of Israel. Under military orders that apply in the occupied Palestinian territory, Palestinians who have West Bank identification cards are prohibited from driving Israeli-licensed vehicles. In response to the Agency's protests, the Agency was informed that IDF had modified the relevant orders to allow UNRWA staff members with West Bank identification cards to drive Israeli-licensed UNRWA vehicles in the West Bank. The order applies, however, only to the West Bank as defined by Israel, so it does not allow such staff members to drive in East Jerusalem.

Annex I

Statistical and financial information tables

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Table 1
Number of registered persons[a]

(as at 30 June 2005)

Field	*1950*	*1960*	*1970*	*1980*	*1990*	*2000*	*2001*	*2002*	*2003*	*2004*	*2005*
Jordan	506 200	613 743	506 038	716 372	929 097	1 570 192	1 639 718	1 679 623	1 718 767	1 758 274	1 795 326
Lebanon	127 600	136 561	175 958	226 554	302 049	376 472	382 973	387 043	391 679	396 890	401 071
Syrian Arab Republic	82 194	115 043	158 717	209 362	280 731	383 199	391 651	401 185	409 662	417 346	426 919
West Bank[b]	—	—	272 692	324 035	414 298	583 009	607 770	626 532	654 971	675 670	690 988
Gaza Strip	198 227	255 542	311 814	367 995	496 339	824 622	852 626	878 977	907 221	938 531	969 588
Total	**914 221**[c]	**1 120 889**	**1 425 219**	**1 844 318**	**2 422 514**	**3 737 494**	**3 874 738**	**3 973 360**	**4 082 300**	**4 186 711**	**4 283 892**

[a] Figures are based on UNRWA registration records, which are updated continually. However, the number of registered refugees present in the Agency's area of operations is almost certainly less than the population recorded.

[b] Until 1967, the West Bank was administered as an integral part of the Jordan field.

[c] This total excludes 45,800 persons receiving relief in Israel, who were the responsibility of UNRWA until June 1952.

Table 2
Distribution of registered population
(as at 30 June 2005)

Field	*Registered population*	*Number of camps*	*Total camp population*	*Registered persons not in camps*	*Percentage of population not in camps*
Jordan	1 795 326	10	284 461	1 510 865	84.1
Lebanon	401 071	12	211 593	189 478	47.3
Syrian Arab Republic	426 919	9	113 663	313 256	73.4
West Bank	690 988	19	182 191	508 797	73.6
Gaza Strip	969 588	8	474 079	495 509	51.1
Total	**4 283 892**	**58**	**1 265 987**	**3 017 905**	**70.4**

Table 3
Basic education services[a]
(as of October 2004)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Total/on average*
Elementary pupils	82 171	24 795	44 030	40 500	133 255	324 751
Boys	40 757	12 589	22 605	17 554	68 595	162 100
Girls	41 414	12 206	21 425	22 946	64 660	162 651
Preparatory pupils	48 984	13 093	18 886	19 504	60 916	161 383
Boys	25 296	6 329	9 584	8 326	31 126	80 661
Girls	23 688	6 764	9 302	11 178	29 790	80 722
Secondary pupils	—	2 661	—	—	—	2 661
Boys	—	1 055	—	—	—	1 055
Girls	—	1 606	—	—	—	1 606
Total enrolment	**131 155**	**40 549**	**62 916**	**60 004**	**194 171**	**488 795**
Boys	**66 053**	**19 973**	**32 189**	**25 880**	**99 721**	**243 816**
Girls	**65 102**	**20 576**	**30 727**	**34 124**	**94 450**	**244 979**
Percentage of girls	49.6	50.7	48.8	56.9	48.6	50.1
Percentage of total Agency-wide enrolment in each field	26.8	8.3	12.9	12.3	39.7	100.0
Percentage increase (decrease) in total enrolment over previous year	(2.3)	(2.5)	(1.6)	(0.2)	1.1	(0.6)
Administrative schools	177	87	115	93	180	652
Elementary	49	31	65	24	124	293
Preparatory	128	51	50	69	56	354
Secondary	—	5	—	—	—	5
Percentage of administrative schools on double shifts	91.5	63.2	97.4	23.7	77.2	75.2

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Total/on average*
Percentage of administrative schools in rented premises	25.4	43.7	8.7	15.1	0.0	16.4
School buildings owned	96	60	61	85	114	416
School buildings rented	25	26	7	14	0	72
Classroom occupancy rate	39.0	34.6	40.1	36.7	44.7	40.5
Percentage of class sections containing 48 pupils or more	11.3	2.7	15.6	2.5	18.7	12.5
University scholarships (Japan)	8	7	9	10	15	49
Percentage of female scholars (Japan)	62.5	0.0	66.7	70.0	86.7	63.3
University scholarships for special hardship cases, Jordan (individual donor)	19	—	—	—	—	19
Percentage of female scholars, Jordan (individual donor)	63.2	—	—	—	—	63.2
University scholarships for women in Lebanon (IDRC)	—	110	—	—	—	110
AGFUND	—	15	—	—	—	15
Percentage of female scholars (AGFUND)	—	20.0	—	—	—	20.0
Emergency appeal	—	—	—	55	—	55
Percentage of female scholars (emergency appeal)	—	—	—	43.6	—	43.6
Teachers	4 375	1 609	1 996	2 128	6 015	16 123
In-service teacher trainees	169	197	122	157	246	891

[a] Enrolment figures exclude an estimated 229,530 refugee pupils attending government and private elementary and preparatory schools and 69,562 refugee students attending government and private secondary schools; they include 40,153 non-refugee children attending UNRWA schools (elementary, preparatory and secondary).

Table 4

Vocational, technical and teacher-training services

(actual enrolment in 2004/05 academic year as of December 2004)

	Jordan				*Lebanon*		*Syrian Arab Republic*		*West Bank*						*Gaza Strip*				
	Amman Training Centre		*Wadi Seer Training Centre*		*Siblin Training Centre*		*Damascus Training Centre*		*Kalandia Training Centre*		*Ramallah Women's Training Centre*		*Ramallah Men's Training Centre*		*Gaza Training Centre*				
	M	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*Grand total*
Vocational and technical training																			
Vocational training[a]		70	586		380	76	494	34	471		1	167			589		2 521	347	2 868
Technical training[b]	47	383	191	79	138	122	204	233			3	397	177	65	100	154	860	1 433	2 293
Total trainees	**47**	**453**	**777**	**79**	**518**	**198**	**698**	**267**	**471**	**0**	**4**	**564**	**177**	**65**	**689**	**154**	**3 381**	**1 780**	**5 161**
Teacher training																			
Educational sciences faculty pre-service[c]	168	371										318	217	96			385	785	1 170
Other service[d]					29	90											29	90	119
Total teachers	**168**	**371**	**0**	**0**	**29**	**90**	**0**	**0**	**0**	**0**	**0**	**318**	**217**	**96**	**0**	**0**	**414**	**875**	**1 289**
Grand total	**215**	**824**	**777**	**79**	**547**	**288**	**698**	**267**	**471**	**0**	**4**	**882**	**394**	**161**	**689**	**154**	**3 795**	**2 655**	**6 450**

[a] Two-year post-preparatory courses in a variety of building, electrical, electronic, mechanical and metal working trades.

[b] Two-year post-secondary courses in a variety of technical, paramedical and commercial skills.

[c] Four-year post-secondary course leading to a first university degree.

[d] Two-year post-secondary course leading to a two-year teaching diploma.

Table 5
Primary health care
(1 July 2004-30 June 2005)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Total*
Primary health-care facilities	23	25	23	36	18	125
Services integrated within primary health-care facilities						
Dental clinics	23	17	14	21	13	88
Family planning	23	25	23	36	18	125
Non-communicable disease care	22	25	23	34	15	119
Radiology facilities	1	4	0	6	5	16
Laboratories	23	15	21	25	15	99
Physiotherapy clinics	1	0	0	6	6	13
Maternity units	0	0	0	0	6	6
Outpatient services						
Medical treatment[a]	2 171 861	907 687	956 496	1 295 665	2 807 088	8 138 797
Dental treatment	176 230	116 154	84 394	108 061	160 009	644 848
In-patient (hospital) care[b]						
Patients admitted	15 260	18 737	7 225	13 511	3 149	57 882
Patient days	32 659	45 656	10 442	47 294	12 484	148 535
Maternal and child health care						
Pregnant women newly registered	26 456	4 809	8 820	11 844	33 708	85 637
Infants under age 1 newly registered	29 662	4 483	8 613	11 082	30 229	84 069
Children age 0-3 under supervision	82 131	12 136	21 981	30 154	78 177	224 579
New family planning acceptors	7 404	1 740	2 848	2 757	5 339	20 088
Total family planning acceptors	28 009	10 825	17 548	16 156	32 265	104 803
Expanded programme of immunization[c]						
Polio vaccine	99.3	100.0	99.7	97.2	100.0	99.4
BCG vaccine	99.6	100.0	99.7	98.5	100.0	99.6
Measles vaccine	98.8	100.0	99.7	96.4	99.9	99.1
Hepatitis B vaccine	99.3	100.0	99.7	97.2	99.9	99.3
Triple (DPT) vaccine[d]	99.3	100.0	99.7	97.2	100.0	99.4
All vaccines	98.7	100.0	99.7	96.4	99.9	99.4
MMR	97.7	99.4	99.3	94.5	99.6	98.1
School health						
School entrants examined	11 887	2 664	7 359	5 530	20 379	47 819
Booster vaccinations	24 196	6 392	12 851	16 880	55 250	115 569

[a] Visits for medical consultations only.
[b] With the exception of a 63-bed hospital run by UNRWA at Qalqilia in the West Bank, hospital services are provided through contractual agreements with non-governmental and private hospitals or through partial reimbursement of treatment costs.
[c] Percentage of infants below 12 months of age receiving full primary series, based on end-2004 assessment.
[d] Quadruple vaccine in the Syrian Arab Republic and pentavaccine in Jordan.

Table 6
Selected health-status indicators for Palestine refugees

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Agency-wide*
Total fertility rate[a]	3.6	2.6	2.5	4.1	4.4	3.5
Percentage of children below 18 years of age	36.9	31.1	36.6	39.7	48.3	39.4
Percentage of women of reproductive age (15-49 years)	25.4	26.7	26.0	23.8	22.2	24.6
Ageing index (population aged 60 years and over divided by population below 15 years of age)	34.2	48.2	33.1	31.6	18.0	30.1
Mean birth interval (months)[b]	36.2	43.0	42.3	35.1	33.0	37.1
Infant mortality rate per 1,000 live births[b]	22.5	19.2	28.1	15.3	25.2	22.0
Early child mortality(below 3 years) per 1,000 live births[b]	25.1	20.2	30.5	17.6	28.3	24.4
Prevalence of anaemia among children < 3 years of age	28.3	33.4	17.2	34.3	54.7	33.8
Prevalence of anaemia among pregnant women	22.4	25.5	16.2	29.5	35.7	26.2
Percentage of infantsbreast fed for at least one month[c]	75.9	87.2	78.3	87.1	65.0	78.9
Prevalence of exclusive breast feeding up to 4 months[c]	24.0	30.2	40.3	34.5	33.3	32.7
Percentage of at risk pregnancies	34.6	28.9	34.0	38.3	36.9	35.6
Percentage of deliveres in health institutions	98.7	97.5	91.1	98.5	99.4	97.9
Pregnant women proected against tetanus (percentage)	99.6	99.7	99.7	99.5	97.5	98.8
Mean marital age (women)[c]	20.3	19.7	20.5	19.5	18.9	19.7
Average daily consulations per medical officer	102	96	91	114	140	112
Prevalence of diabetes mellitus among refugees 40 years and above (perentage)	4.4	5.3	6.6	6.3	7.8	5.5
Prevalence of hypertension among refugees 40 years and above (percentag)	6.7	10.4	10.8	7.3	10.8	8.4
Number of camps served by UNRWA mechanized refuse collection and disposal equipment	1	12	7	13	8	41
Camp shelters with acess to safe water (percentage)	99.0	96.7	95.0	100.0	100.0	98.4
Camp shelters with acess to sewerage facilities (percentage)	89.9	63.5	86.6	62.7	81.0	78.6

[a] UNRWA survey, 2000.
[b] UNRWA survey, 2004.
[c] UNRWA study, 2001.

Table 7
Social services programme
(1 July 2004-30 June 2005)

Field	Women's programme				Children and youth programme		Disability programme								
	Participants				Participants				Total number of services provided at CBRCs						
	Centres	Awareness raising	Skills training	Other	Kindergartens and nurseries	Other[a]	Centres	Total number of individuals served by CBRCs	Centre-based	Home-based	Referral	Mainstreaming	Other	Total number of CBO LAC members	Total number of CBO volunteers other than LAC members
Jordan	14	8 312	3 272	3 665	1 115	120	10	1 174	914	260	664	37	5 919	168	320
Lebanon	10[b]	5 534	1 856	2 563	915	14 353	1	3 176[c]	341	2 835	698	251	1 114	73	114
Syrian Arab Republic	15	3 856	2 650	8 994	2 257	8 516	6	3 713	2 262	1 444	213	101	2 952	NA	387
West Bank	16[d]	11 286	1 190	9 097	714	44 702	15[e]	7 508	7 055	2 330	1 510	381	7 494	244	576
Gaza Strip	10	11 222	603	4 185	688	10 290	7	15 297[f]	6 574	8 433	1 931	2 803	2 499	113	214
Total	**65**	**40 210**	**9 571**	**28 504**	**5 689**	**77 981**	**39**	**30 868**	**17 146**	**15 302**	**5 016**	**3 573**	**19 978**	**598**	**1 611**

Field	Microcredit Community Support Programme												
	Direct lending									Indirect lending			
	Soft loans		Housing improvement loans		Small-scale enterprise		Group-guaranteed lending			CBO individual based lending		Apprenticeship training	CBOs income-generating projects	
	No. of loans	Amount (US$)	No. of loans	Amount (US$)	No. of loans	Amount (US$)	No. of Groups	No. of loans	Amount (US$)	No. of loans	Amount (US$)	No. of Participants	No. of Projects	No. of jobs created
Jordan	19	88 686	21	57 479	39	129 861	2	34	20 758	607	258 990	0	56	168
Lebanon	24	97 250	15	38 000	125	429 550	113	565	282 500	0	0	135	9	28
Syrian Arab Republic	0	0	356	435 950	0	0	40	200	39 147	0	0	0	6	0
West Bank	0	0	0	0	0	0	0	0	0	0	0	185[g]	41	46
Gaza Strip	0	0	0	0	0	0	0	0	0	0	0	0	37	140
Total	**43**	**185 936**	**392**	**531 429**	**164**	**559 411**	**155**	**799**	**342 405**	**607**	**258 990**	**320**	**149**	**382**

(Footnotes on following page)

(Footnotes to Table 7)

Abbreviations:

CBO community-based organization
CBRC community-based rehabilitation centre
LAC local administrative committee

[a] This refers to the number of children and youth participants served through CBOs' various activities.

[b] This number represents nine Women's Programme Centres and one Community Development Centre in Nahr el-Bared Camp.

[c] This number includes the total number of individuals served through the Disability Programme.

[d] One new Women's Programme Centre was established in Jenin Camp.

[e] One new community-based rehabilitation centre was established in Camp number 1 in Nablus area.

[f] The total number of individuals served by community-based rehabilitation centres includes 520 from the Rehabilitation Centre for the Visually Impaired.

[g] The number of participants in apprenticeship includes both special hardship cases and non-special hardship cases.

Table 8
Number and distribution of special hardship cases
(as at 30 June 2005)

Field	*Number of families*[a]	*Number of persons*			*Percentage of refugee population*
		Receiving rations	*Not receiving rations*[b]	*Total*[a]	
Jordan	12 558	43 521	3 491	47 012	2.6
Lebanon	11 151	42 498	3 689	46 187	11.5
Syrian Arab Republic	9 442	26 979	4 216	31 195	7.3
West Bank	11 155	35 276	5 891	41 167	6.0
Gaza Strip	18 197	82 689	1 560	84 249	8.7
Total	**62 503**	**230 963**	**18 847**	**249 810**	**5.8**

[a] Including 250 special hardship case families, representing 1,107 rations and 1,228 persons who are residing in a field other than the one of their official registration.
[b] Including children under 1 year of age and students studying away from home.

Table 9

Microfinance and microenterprise programme

(1 July 2004-30 June 2005)

	Gaza Strip				*West Bank*		*Jordan*	*Syrian Arab Republic*	
	Small-scale enterprise product	*Microenterprise credit product*	*Solidarity group lending product*	*Consumer lending product*	*Small-scale enterprise product*	*Microenterprise credit product*	*Microenterprise credit product*	*Microenterprise credit product*	***Total***
Number of loans issued	50	5 321	4 593	1 530	0	4 744	1 919	1 609	**19 766**
Value of loan issued (US$)	457 500	5 429 350	2 844 400	842 450	0	5 093 363	2 163 701	892 364	**17 723 128**
Capital base (US$)	7 779 558	3 039 260[a]	0	60 000	1 681 933	547 277	0[b]	26 786	**13 134 814**
PalFund Trust Fund[c]	0	0	475 000	0	0	950 000	0	0	**1 425 000**
Overall recovery rate (percentage)[d]	92	94	96	95	100	96	98	98	

[a] Shared capital base for the solidarity group lending product and the microenterprise credit product in Gaza.

[b] Capital for the initial launch of the programmes in Jordan and the Syrian Arab Republic has been lent from Gaza.

[c] An administrative agreement to establish a $2.5 million trust fund in the occupied Palestinian territory was signed between UNRWA and the OPEC Fund for International Development in June 2004 and $1.5 million of the fund was paid in.

[d] Percentage over the life of the programme to 30 June 2005.

Table 10

Actual expenditure in 2004, budget for 2005 and proposed budget for 2006-2007

(in cash and in kind, millions of United States dollars)

	Actual expenditure 2004	*Budgeted expenditure 2005*							*Proposed budget 2006–2007*		
		Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Headquarters*	*Total*	*2006*	*2007*	*Total*
Education	193.0	51.8	27.5	15.3	31.5	66.3	2.2	194.6	271.5	277.2	548.7
Health	60.2	12.9	13.7	6.0	12.9	18.7	0.8	65.0	90.6	95.9	186.5
Relief and social services	33.0	6.5	7.2	3.8	5.2	12.2	0.6	35.5	42.5	43.4	85.9
Operational services[a]	24.7	2.2	2.8	1.5	3.4	5.2	7.3	22.4	27.5	27.3	54.8
Common services[b]	21.4	2.7	3.4	1.7	4.5	4.2	27.0	43.5	56.5	61.8	118.3
Total regular budget	**332.3**	**76.1**	**54.6**	**28.3**	**57.5**	**106.6**	**37.9**	**361.0**	**488.6**	**505.6**	**994.2**

[a] Including supply, transport and architectural engineering services that support all Agency programmes.

[b] Including management and administrative services that support all Agency programmes, as well as working capital reserves to be allocated to programmes during the budget biennium in addition to prior years' adjustments.

Table 11

Contributions by Governments and the European Community (in cash and in kind)

(1 January 2004-31 December 2004)

(Actual receipts in United States dollars)

Source	*Total 2003 contributions*	*2004 contributions*			
		Regular budget	*Emergency appeal*	*Projects*	*Total*
Algeria	—	20 000	—	—	20 000
Australia	3 080 860	3 104 221	1 839 400	—	4 943 621
Austria	778 295	605 000	1 279 825	—	1 884 825
Bahrain	30 000	30 000	—	—	30 000
Belgium	3 291 977	2 509 624	3 036 168	—	5 545 792
Brunei Darussalam	10 000	—	—	—	—
Canada	7 480 824	7 633 552	1 967 823	5 958 759	15 560 134
Chile	—	10 000	—	—	10 000
China	59 985	79 985	—	—	79 985
Colombia	—	2 500	—	—	2 500
Cyprus	46 060	31 350	—	—	31 350
Czech Republic	35 808	41 096	—	—	41 096
Denmark	9 865 110	8 504 104	2 024 637	255 878	10 784 619
Egypt	20 000	10 000	—	—	10 000
Finland	3 457 850	3 109 453	1 417 647	—	4 527 100
France	3 073 455	3 737 891	487 805	235 809	4 461 505
Germany	11 408 144	6 400 579	1 866 499	1 089 819	9 356 897
Greece	400 000	400 000	—	—	400 000
Holy See	—	20 000	—	—	20 000
Iceland	40 000	45 000	—	—	45 000
India	4 971	11 547	—	—	11 547
Indonesia	—	10 000	—	—	10 000
Ireland	3 511 097	1 888 620	663 130	—	2 551 750
Italy	11 409 632	9 283 820	—	1 529 140	10 812 960
Japan	9 130 401	8 629 169	1 517 468	1 149 279	11 295 917
Jordan	445 562	629 606	—	—	629 606
Kuwait	1 499 972	1 500 000	—	—	1 500 000
Liechtenstein	—	24 000	—	—	24 000
Lebanon	15 360	—	—	—	—
Luxembourg	2 524 954	1 951 220	243 605	4 221	2 199 046
Malaysia	25 000	25 000	—	—	25 000
Maldives	1 000	1 000	—	—	1 000
Malta	—	12 000	—	—	12 000
Mexico	—	10 000	—	—	10 000
Monaco	5 000	5 000	—	—	5 000

Source	Total 2005 contributions	2004 contributions			
		Regular budget	Emergency appeal	Projects	Total
Morocco	24 000	—	—	—	—
Namibia	—	2 000	—	—	2 000
Netherlands	14 687 640	13 978 673	3 359 179	700 451	18 038 302
New Zealand	397 773	211 440	509 520	—	720 960
Norway	17 610 073	14 925 373	4 684 294	—	19 609 667
Oman	25 000	30 000	—	—	30 000
Palestine	826 172	699 927	—	40 000	739 927
Poland	20 000	20 000	—	—	20 000
Portugal	100 000	100 000	—	—	100 000
Qatar	35 000	35 000	—	—	35 000
Republic of Korea	100 000	300 000	—	355 376	655 376
Saudi Arabia	11 800 000	1 800 000	—	—	1 800 000
South Africa	120 000	148 478	—	—	148 478
Spain	3 426 454	3 985 411	1 211 894	296 199	5 493 504
Sweden	24 647 731	26 157 895	5 617 387	—	31 775 282
Switzerland	9 125 236	6 368 254	3 680 000	1 389 381	11 437 635
Syrian Arab Republic	27 606	120 394	—	—	120 394
Thailand	30 000	30 000	—	—	30 000
Tunisia	9 524	9 956	—	—	9 956
Turkey	200 000	—	—	—	—
United Arab Emirates	2 276 199	500 000	—	—	500 000
United Kingdom of Great Britain and Northern Ireland	33 842 527	15 833 805	24 148 269	791 987	40 774 061
United States of America	126 000 802	83 968 111	40 000 000	3 448 201	127 416 312
Subtotal	**316 983 056**	**229 480 054**	**99 554 551**	**17 244 499**	**346 299 103**
European Community	80 713 139	90 805 738	10 119 486	3 032 358	103 957 583
Grand total	**397 696 195**	**320 285 792**	**109 674 037**	**20 276 857**	**450 256 686**

Table 12
Staff members arrested and detained
(1 July 2004-30 June 2005)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank (detained by Israeli authorities)*	*West Bank (detained by Palestinian authorities)*	*Gaza Strip (detained by Israeli authorities)*	*Gaza Strip (detained by Palestinian authorities)*	*Total*
Released without charge or trial	3	2	2	9	3	—	1	**20**
Released after charge or trial	—	—	—	4	1	—	—	**5**
Still in detention on 30 June 2004	—	—	1	17[a]	1	1[b]	—	**20**[c]
Total	**3**	**2**	**3**	**30**	**5**	**1**	**1**	**45**

[a] Thirteen of the detained staff members have been detained since previous reporting periods.
[b] Staff member has been detained since a prior reporting period.
[c] Three staff members detained in earlier reporting periods were released prior to the current reporting period but not previously reported as released.

Table 13
Agency staff[a]
(as at 30 June 2005)

Programme	*Jordan*	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Headquarters (Amman)*	*Headquarters (Gaza Strip)*	*New York Liaison Office*	*Geneva Liaison Office*	*Total*
Education	4 928	1 814	2 322	2 616	6 524	71	0			18 275
Health	908	536	465	687	1 057	11	0			3 664
Relief and social services	140	110	89	113	198	12	0			662
Other	251	278	251	466	756	120	145			2 267
Total, area staff	**6 227**	**2 738**	**3 127**	**3 882**	**8 535**	**214**	**145**			**24 868**
Total, international staff	**6**	**7**	**8**	**27**	**12**	**26**	**45**	**3**	**2**	**136**
Total staff	**6 233**	**2 745**	**3 135**	**3 909**	**8 547**	**240**	**190**	**3**	**2**	**25 004**

[a] Staff members on mission were not included in the list.

Annex II

Pertinent records of the General Assembly and other United Nations bodies

1. General Assembly resolutions

Resolution number	*Date of adoption*	*Resolution number*	*Date of adoption*
194 (III)	11 December 1948	2964 (XXVII)	13 December 1972
212 (III)	19 November 1948	3089 A to E (XXVIII)	7 December 1973
302 (IV)	8 December 1949	3090 (XXVIII)	7 December 1973
393 (V)	2 December 1950	3330 (XXIX)	17 December 1974
513 (VI)	26 January 1952	3331 (XXIX) A to D	17 December 1974
614 (VII)	6 November 1952	3419 (XXX) A to D	8 December 1975
720 (VIII)	27 November 1953	31/15 A to E	23 November 1976
818 (IX)	4 December 1954	32/90 A to F	13 December 1977
916 (X)	3 December 1955	33/112 A to F	18 December 1978
1018 (XI)	28 February 1957	34/52 A to F	23 November 1979
1191 (XII)	12 December 1957	35/13 A to F	3 November 1980
1315 (XIII)	12 December 1958	36/146 A to H	16 December 1981
1456 (XIV)	9 December 1959	37/120 A to K	16 December 1982
1604 (XV)	21 April 1961	38/83 A to K	15 December 1983
1725 (XVI)	20 December 1961	39/99 A to K	14 December 1984
1856 (XVII)	20 December 1962	40/165 A to K	16 December 1985
1912 (XVIII)	3 December 1963	41/69 A to K	3 December 1986
2002 (XIX)	10 February 1965	42/69 A to K	2 December 1987
2052 (XX)	15 December 1965	43/57 A to J	6 December 1988
2154 (XXI)	17 November 1966	44/47 A to K	8 December 1989
2252 (ES-V)	4 July 1967	45/73 A to K	11 December 1990
2341 (XXII) A and B	19 December 1967	46/46 A to K	9 December 1991
2452 (XXIII) A to C	19 December 1968	47/69 A to K	14 December 1992
2535 (XXIV) A to C	10 December 1969	48/40 A to J	10 December 1993
2656 (XXV)	7 December 1970	49/21 B	2 December 1994

Resolution number	*Date of adoption*	*Resolution number*	*Date of adoption*
2672 (XXV) A to D	8 December 1970	49/35 A to G	9 December 1994
2728 (XXV)	15 December 1970	49/21 O	21 April 1995
2791 (XXVI)	6 December 1971	50/28 A to G	6 December 1995
2792 A to E (XXVI)	6 December 1971	51/124 to 51/130	13 December 1996
2963 A to F (XXVII)	13 December 1972	52/57 to 52/63	10 December 1997
		53/46 to 53/52	3 December 1998
		54/69 to 54/75	15 December 1999
		55/123 to 55/128	8 December 2000
		56/52 to 56/58	10 December 2001
		57/117 to 57/123	11 December 2002
		58/91 to 58/95	17 December 2003
		59/117 to 59/120	10 December 2004

2. General Assembly decisions

Decision number	*Date of adoption*
36/462	16 March 1982
48/417	10 December 1993

3. Reports of the Commissioner-General of UNRWA

2000

Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 13 (A/55/13)

2001

Ibid., *Fifty-sixth Session, Supplement No. 13* and addendum (A/56/13 and Add.1)

2002

Ibid., *Fifty-seventh Session, Supplement No. 13* (A/57/13)

2003

Ibid., *Fifty-eight Session, Supplement No. 13* and addendum (A/58/13 and Add.1)

2004

Ibid., *Fifty-ninth Session, Supplement No. 13* (A/59/13)

4. Financial reports and audited financial statements (biennial)

2000

Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 5C (A/55/5/Add.3)

2002

Ibid., *Fifty-seventh Session, Supplement No. 5C* (A/57/5/Add.3)

2004

Ibid., *Fifty-ninth Session, Supplement No. 5C* (A/59/5/Add.3)

5. Reports of the United Nations Conciliation Commission for Palestine

2000

A/55/329

2001

A/56/290

2002

A/57/294

2003

A/58/256

2004

A/59/260

6. Reports of the Working Group on the Financing of UNRWA

2000

A/55/456

2001

A/56/430

2002

A/57/462

2003

A/58/450

2004

A/59/442

7. Reports of the Secretary-General

2000

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 54/71, 54/72, 54/74 and 54/75 of 6 December 1999, respectively:

A/55/391 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/55/402 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/55/428 (Palestine refugees' properties and their revenues)

A/55/425 (University of Jerusalem "Al-Quds" for Palestine refugees)

2001

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 55/125, 55/126, 55/128 and 55/129 of 8 December 2000, respectively:

A/56/382 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/56/375 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/56/420 (Palestine refugees' properties and their revenues)

A/56/421 (University of Jerusalem "Al-Quds" for Palestine refugees)

2002

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 56/54, 56/55, 56/57 and 56/58 of 10 December 2001, respectively:

A/57/338 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/57/282 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/57/455 (Palestine refugees' properties and their revenues)

A/57/456 (University of Jerusalem "Al-Quds" for Palestine refugees)

2003

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 57/119, 57/120, 57/122 and 57/123 of 11 December 2002, respectively:

A/58/119 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/58/339 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/58/206 (Palestine refugees' properties and their revenues)

A/58/205 (University of Jerusalem "Al-Quds" for Palestine refugees)

2004

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 58/92 and 58/94 of 9 December 2003, respectively:

A/59/151 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/59/279 (Palestine refugees' properties and their revenues)

8. Notes by the Secretary-General

1996

A/51/495 (Note by the Secretary-General and annexed special report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East on the financial crisis of the Agency).

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